

RECEIVED

Th 9a

NOV 06 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Lane Field San Diego Developers, LLC

655 West Broadway, Suite 1450
San Diego, CA 92101
(619) 702-5655

November 4, 2008

VIA FACSIMILE AND USPS MAIL

Chairman Patrick Krueer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Applicant's Response to Appeal No. A-6-PSD-08-04/A-6-PSD-08-101

Dear Chairman Krueer:

Lane Field San Diego Developers, LLC, is the applicant (Applicant) to the Unified Port District of San Diego (Port) for Amended Coastal Development Permit CDP-2008-01a (Amended CDP), which the Port unanimously approved on October 7, 2008 after a noticed public hearing. The Amended CDP does not affect or change any physical aspect of the hotel development (Project) approved by the original CDP-2008-01 (Original CDP), issued on January 8, 2008. Rather, the Amended CDP focuses solely on further defining the intent of certain conditions of approval of the Original CDP, to address Coastal Commission staff concerns.

The Amended CDP better defines (i) the process of determining the feasibility of and steps required to develop lower-cost overnight accommodations, referencing various studies and milestones that must first be met, and further environmental review that must be completed once sufficient information is available; and (ii) the intent to provide public access, including multi-modal transit opportunities and a low-cost bayfront shuttle service. The Amended CDP accomplishes these goals by referencing the July 17, 2008 *Lane Field Public Access Program* in Special Provision #1, and by referencing the July 16, 2008 *Lane Field Multimodal Transit Opportunity Promotion Plan* in Special Provisions #19 and #20, thereby specifically obligating the Applicant to carry out the proposed plans.

Although no additional appeal was necessary to address the Project, UNITE-HERE (Appellant) nonetheless chose to appeal the Amended CDP, and has submitted additional comments and objections to the Project. Although voluminous, the objections raised in the appeal have no merit, as recognized by Coastal Commission staff's recommendation that there is No Substantial Issue of consistency with the Port Master Plan (PMP) or the California Coastal Act's public access or other policies.

Response from Applicant

11

On March 24, 2008 the Applicant submitted a letter responding to the Union's appeal of the Original CDP. That letter sets forth the Applicant's commitment to work with you and your staff, and to build a project that will benefit not only visitors to San Diego, but the people of the State of California as a whole. That commitment has been fulfilled through the efforts of your staff as well as those of the Port and the Applicant. The best evidence that the Applicant's promise to work with your staff to address their concerns has been kept is the staff report, which concludes that the Project presents No Substantial Issue with respect to the grounds on which the appeal has been filed, and that the Project fully complies and is consistent with the PMP and the California Coastal Act regulations and policies.

This Project Transforms a Decades-Old Surface Parking Lot into a Plethora of Public Access Opportunities, Fulfilling the Vision of the PMP, the North Embarcadero Visionary Plan (NEVP), and the Coastal Act

This Project will turn a parking lot into an activated bay front, bringing visitor-serving hotels, retail, and public space into what today is a fenced and restricted area accessible only for parking. The Project includes a 205-foot high hotel with 275 guest rooms, health club/spa, pools, ballrooms, and meeting rooms, surrounded by 30,000 square feet of visitor-serving retail and restaurants. It also includes a 275-foot high hotel with 525 guest rooms, health club/spa, pools, ballrooms, and meeting rooms, surrounded by 50,000 square feet of additional visitor-serving retail and restaurants. Also included are 1,330 parking spaces in below-grade structure(s), 1.8 acres of public plazas, development of a public downtown shuttle system, and a concept plan setting forth the process that would result in a hotel development or a \$6,000,000 in-lieu fee.

This is the first development to proceed under the NEVP, the \$240 million public infrastructure project that will join downtown and the bay, transforming North Harbor Drive into a pedestrian-friendly, tree-lined waterfront boulevard containing acres of public open space. The Coastal Commission approved the North Embarcadero Port Master Plan Amendment in March 2001, and on December 12, 2001 approved an amendment to the Port Master Plan for the hotel and retail uses envisioned for Lane Field.

Process to Address Lower Cost Visitor-Serving Accommodations

The only change to the Original CDP's Special Condition #1 made by the Amended CDP was to add a reference the July 17, 2008 version of the *Lane Field Public Access Program*. That program describes various alternatives that may ultimately result, after further study and additional environmental and other review, in the development of a 400-bed youth hostel providing low-cost overnight accommodations on San Diego's tidelands or alternatively, payment of a \$6,000,000 in-lieu fee.

The multi-phased approach enumerated in the Applicant's Public Access Plan contains milestones for feasibility analysis, environmental review, entitlement and, pending further study, construction of such accommodations. If for some reason the rooms cannot be provided, the Project will be required to pay the in-lieu fee. The concept envisioned in the Amended CDP will substantially advance the Coastal Commission's interest in preserving and growing the inventory of low-priced, affordable accommodations in the coastal zone.

The Appellant asserts that the public access plan is inconsistent with the Coastal Act because an exact site for affordable accommodations has not been purchased or leased. As made clear in the Amended CDP and associated documents, the *Lane Field Public Access Program* outlines the process by which affordable accommodations will ultimately be provided, but recognizes that the exact location cannot be further defined until certain milestones are met and future study conducted. However, the Project is required to pay a \$6,000,000 in lieu fee to go toward affordable accommodations should the Applicant's plan not ultimately result in purchase or lease of a site upon which the accommodations are built. The Coastal Commission has consistently held that adequate in-lieu fee payments satisfy the public access consistency requirements, and this Project commits not only to making such a payment but, subject to the conditions set forth in the concept plan, will likely end up doing much more.

In addition, the *Lane Field Public Access Program* specifies public access corridors, plazas, viewing terraces and other features to be provided throughout the Project, requires public access signage in appropriate locations, and dictates the hours of operations for the public areas. The Project already is a high-priority visitor-serving use of hotel and retail, and this plan further broadens its provision of additional recreational opportunities and shoreline access to the general public.

Process to Address MultiModal Transit Opportunities

The Amended CDP also refines the Original CDP by adding a specific reference to the July 16, 2008 *Lane Field Multimodal Transit Opportunity Promotion Plan*, which requires the Applicant to provide an interim shuttle service in the busy summer months of June 1 through August 31 from 10 a.m. through 9 p.m., connecting existing mass transit facilities and parking reservoirs with bay front attractions. This furthers the Original CDP's intent to promote public access to and along the shoreline. With the Project, this area would offer more options for public transportation than are offered by any other coastal area in San Diego -- from pedicabs and water taxis to buses and trains. Thus, the Applicant's commitment to transit has been further refined through its work with your staff, resulting in a detailed plan with specific opportunities for transportation of all modes to be available with Project implementation.

The Appellant ignores the extensive and specific aspects of the *Lane Field Multimodal Transit Opportunity Promotion Plan*, and makes the groundless assertion that the plan is "too vague" to ensure impacts to public access are mitigated. In contrast to those assertions, a review of the plan reveals that in fact it sets forth specific measures that must be implemented, from discounted trolley and bus passes for guests and employees to convention center shuttles, and identifies the timing for when the shuttle must begin operations, on which days, for how long, and along which specific routes. Working closely with your staff, the Applicant and the Port developed a plan that specifically addresses the lack of "non-automobile" linkage that exists today to bridge the gap between pedestrian and major mass systems. This void in the system is addressed by the Project through implementation of a downtown shuttle that would serve not only the guests of the Project hotels but also the general public, helping lessen the traffic congestion that otherwise may hinder the public's ability to access the shoreline, particularly in the busy summer months. That system will be provided for at least three years and then will be re-assessed once a market feasibility and demand study has been completed to determine the shuttle's effectiveness. The study would be funded by the Applicant. Should it show that the shuttle is not effective in easing traffic congestion along the shoreline, and the Port therefore decide to terminate the program, issuance of an appealable coastal development permit amendment would first be required.

The Applicant has not stopped at providing a shuttle system and funding a shuttle feasibility study, but also has taken the leading role in a committee of downtown stakeholders. This group is working to turn the comprehensive downtown regional shuttle envisioned in the Downtown San Diego Community Plan Update into reality.

The Issues before the Commission on the Amended CDP Are Limited

The Appellant raises for the first time on appeal an argument that the Project would impact public access by precluding access to parking spaces on the project site during the Project construction. That issue was not raised by the Amended CDP, the subject of which is limited to the expanded public access plan and the expanded transportation plan discussed above. Neither of those would occur until after construction of the Project. Since the Amended CDP does not raise any issue regarding impacts that may or may not occur during construction of the Project, and the Appellant did not raise the parking issue in its appeal of the Original CDP, that claim is not properly before the Commission.

Also, the Amended CDP's clarifications to Special Conditions Nos. 1, 19 and 20 of the Original CDP regarding transit and public access do not change any aspect of the Project related to water quality, groundwater or visual resources. As a result, those issues are not properly before the Commission in the appeal of the Amended CDP.

Chairman Patrick Krueger and Commissioners
November 4, 2008
Page 5

The Amended CDP Is Consistent with the PMP and the Coastal Act.

The Original CDP was approved on January 8, 2008; the Applicant has spent almost the entire year working closely with the Port and Coastal Commission staff to clarify and refine the Applicant's intent to fully comply with the Coastal Act and replace a surface parking lot with visitor-serving hotel and retail uses that enhance the waterfront in a manner consistent with the North Embarcadero Vision Plan which the Coastal Commission found to be consistent with the California Coastal Act several years ago. The Amended CDP fully complies with the Port Master Plan and the Coastal Act's public access policies, and provides even more public access and more specificity than was previously approved by the Coastal Commission in its December 12, 2001 action amending the PMP to allow the hotel and retail uses proposed by the Project.

For the reasons stated in your staff's report and further discussed herein, we respectfully urge you to follow your staff's recommendations and find that No Substantial Issue exists as to the Project's conformity with the certified Port Master Plan or the public access policies of the California Coastal Act. Any further delay in implementing this Project only hinders the provision of public access to the bay front.

Very truly yours,

LANE FIELD SAN DIEGO DEVELOPERS, LLC

Signature on File

Jerome M. Trammner, Project Executive

Chairman Patrick Kruer and Commissioners
November 4, 2008
Page 6

cc: Steve Blank
4100 Cabrillo Hwy (Hwy 1)
Pescadero, CA 94060

Steven Kram
10877 Wilshire Blvd., Suite 603
Los Angeles, CA 90024

Sara Wan
45 Fremont St., Suite 2000
San Francisco, CA 94105

Mary K. Shallenberger
45 Fremont St., Suite 2000
San Francisco, CA 94105

Dr. William A. Burke
11110 West Ohio Ave., Suite 100
Los Angeles, CA 90025

Bonnie Neely
Board of Supervisors
825 Fifth Street, Room 111
Eureka, CA 95501

Khatchik Achadjian
Board of Supervisors
1055 Monterey Street, Room D-430
San Luis Obispo, CA 93408

Mike Reilly
County of Sonoma
575 Administration Drive, Room 100
Santa Rosa, CA 95403-2887

Larry Clark
Councilmember
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275

22

Dave Potter
County of Monterey, District 5
1200 Aguajito Road, Suite 001
Monterey, CA 93940

Ben Hueso
City Administration Building
202 C Street 10-A
San Diego, CA 92101

Michael Chrisman, Secretary
Resources Agency
1416 Ninth Street, Room 1311
Sacramento, CA 95814-5570

Paul Thayer / Dwight Sanders
Office of the Lieutenant Governor
701 B Street, Suite 376
San Diego, CA 92101

Dale E. Bonner, Secretary or James Bourgart
Business, Transportation and Housing Agency
980 9th Street, Suite 2450
Sacramento, CA 95814

Peter Douglas
Executive Director
California Coastal Commission
45 Fremont St., Suite 2000
San Francisco, CA 94105

Diana Lilly
San Diego District Office
California Coastal Commission
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108-4402

RECEIVED

NOV 07 2008

LANE FIELD

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

CDP Application No.
A-6-PSD-08-04/A-6-PSD-08-101

November 2008
Briefing Materials

These materials are being supplied to the California Coastal Commission Staff.

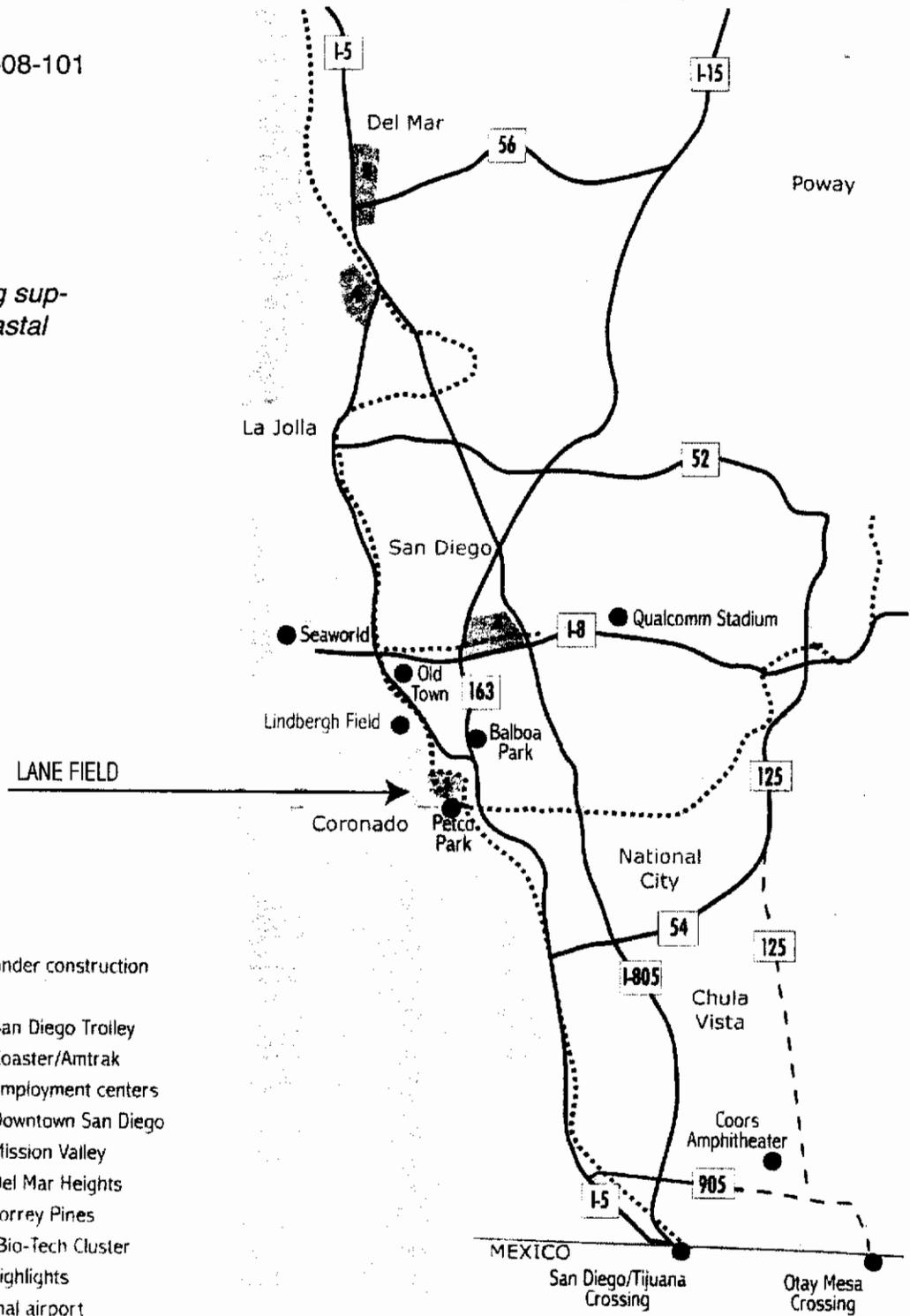


exhibit 1: regional mapping

LANE FIELD

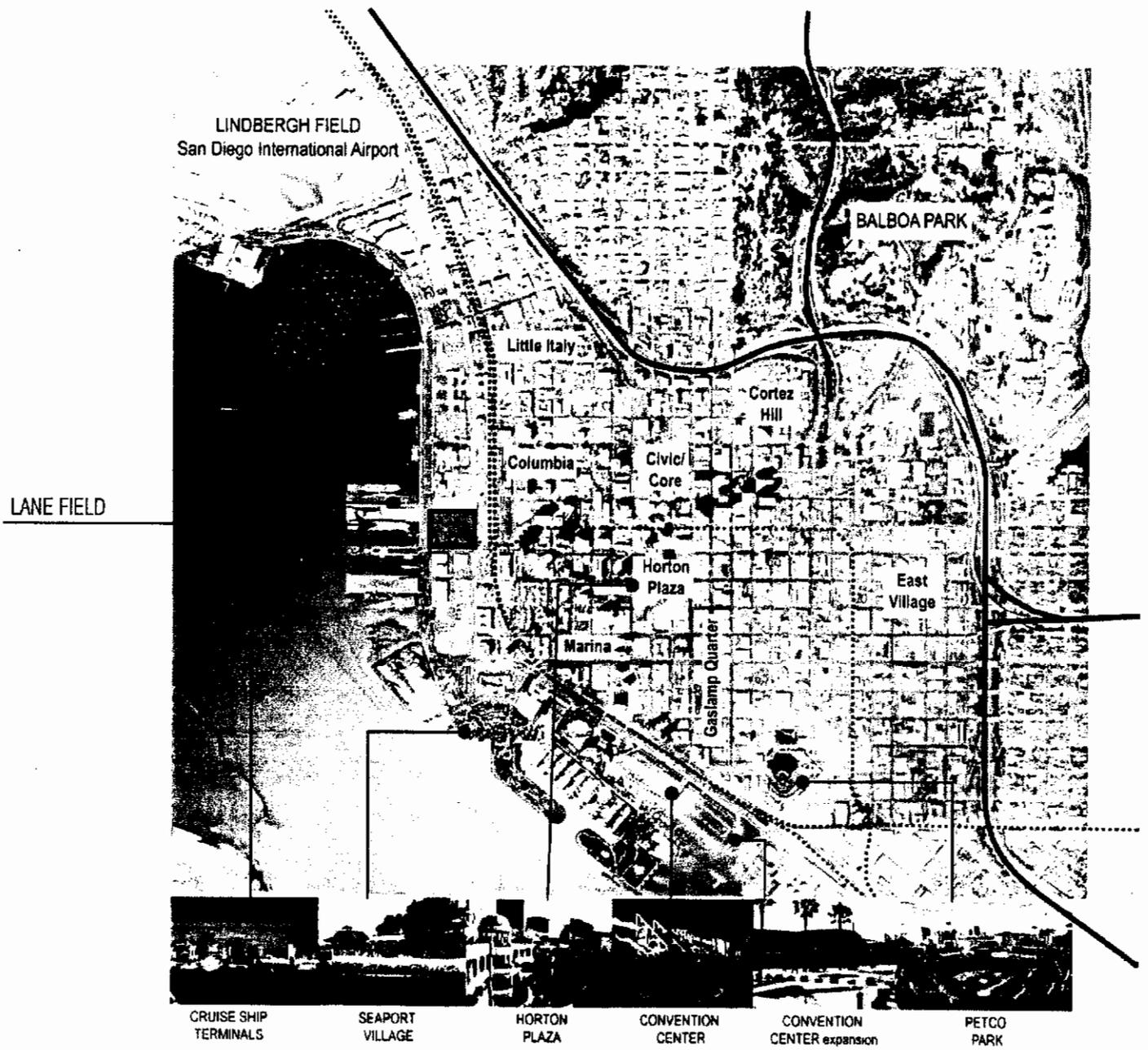


exhibit 2: project vicinity map

Handwritten signature or mark

LANE FIELD



exhibit 3: project renderings

LANE FIELD

project description

Redevelopment of the former Lane Field: Lane Field North will have a 205-foot high hotel with 275 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms; and a 3-story building surrounding the hotel with 30,000 sq.ft. of visitor-serving retail and restaurants. Lane Field South will have a 275-foot high hotel with 525 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms, and a 3-story building surrounding the hotel with 50,000 sq.ft. of visitor-serving retail and restaurants. Also included are 1,330 underground parking spaces in below grade structure(s), 1.8 acres of public plazas, development of a public downtown shuttle system, and a hostel development program.

The project is located North of Broadway Street between Pacific Highway and Harbor Drive, San Diego, San Diego County.

LANE FIELD

project benefits

Public Access and Recreation

- Provides new visitor-serving development in a prime location.
- Offers extensive public open space (approx 2 acres), including Broadway Plaza, C-Street plaza, pedestrian pathways and rooftop viewing terrace.
- Includes low and no cost recreational opportunities, such as large public gathering areas, retail spaces and restaurants.
- Promotes tourism through provision of two hotels (800 rooms) that will bring more visitors to the downtown area/CZ.
- Visitor serving amenities.
- Provides connectivity to existing and anticipated development on adjacent properties.
- Provides funds to be used on other recreational opportunities on Port tidelands (North Harbor Drive promenade)
- Provides low cost overnight accommodations through the establishment of a new hostel on Port-controlled land.

LANE FIELD

project benefits

Transportation and Parking

- Encourages non-automobile transportation opportunities for guests and employees through multi-modal transit program.
- Offers easy access to rail (Amtrak & Coaster), trolley, buses, ferries and pedi-cabs.
- Provides airport shuttle and bike racks.
- Adequate on-site parking to serve project demand, plus 300 additional stalls for public use.
- Provides area-wide shuttle system serving visitors to downtown bay front points of interest during peak summer months.

Public Views/Scenic Resources

- Development sited to allow views to the tidelands and to San Diego Bay.
- Structures to be consistent with pattern and scale of surrounding development.
- High quality architectural design.

LANE FIELD

project benefits

Biological Impacts and Water Quality

- Existing contaminants are limited and will be adequately addressed through a site-specific Soil Management Plan (SMP), a Stormwater Pollution Prevention Plan (SWPPP), and a Site Health and Safety Plan (HSP) to prevent harm to San Diego Bay, its marine life, and to construction workers during removal of the impacted soils.
- A Water Quality Technical Report describing necessary measures to protect the environment has been prepared for the Project. This report provides guidelines for both development and operation of the facilities and has been submitted to and accepted by the California Coastal Commission.
- Remediation oversight will be maintained by San Diego Regional Water Quality Control Board.
- Committed to obtaining LEED Silver Certification.
- Sustainable design model monitors greenhouse gas emissions and includes strategies for construction waste management recycling, renewable energy generation, fuel cell technology, water use reduction through the use of high-tech "lo-flow" plumbing fixtures and the reclamation of grey water.
- Designed as a "zero runoff" site where all storm water falling on the project is captured and either reused in the development or filtered on-site before it is discharged into the storm sewer network.

LANE FIELD

sustainability initiatives



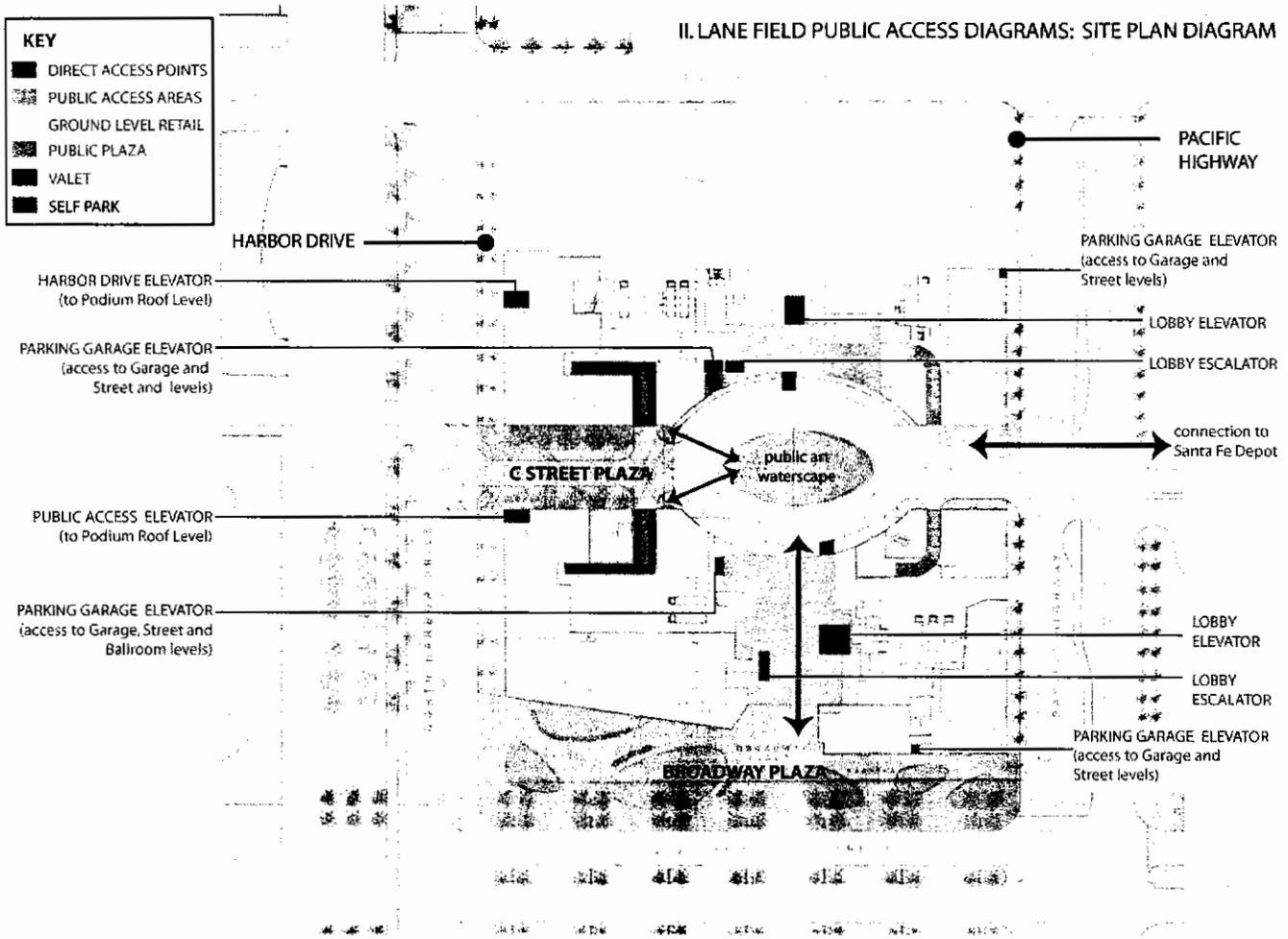
The Lane Field Development intends to have the smallest carbon footprint and contribution to Global Warming of any comparable project in downtown San Diego. Lane Field is committed to investing in environmentally sustainable initiatives that will:

- Conform to the requirements of the Port of San Diego Master Plan and exceed directions for Global Warming mitigation
- Comply with the updated Title 24 requirements, to be effective July, 2008
- Meet the requirements of USGBC LEED NC Silver Certification
- Minimize the facilities need for Utility and Community Resources
- Become an environmental exemplar for the hotel industry in the region
- Improve its ongoing commercial success through its environmentally sustainable initiatives

San Diego is forecast to grow to 3.8 million people by 2030, placing considerable pressure on the shape and amenity of our city. Architecture 2030' explains how a sustainable city might function and provides a framework for action. To meet this challenge, and to recognize emerging market demands, Lane Field San Diego Developers (LFSDD) LLC is voluntarily taking a lead role in working with the Port of San Diego to create a sustainable urban project.

LANE FIELD

public access plan



LANE FIELD

multimodal transit opportunity promotion plan: waterfront shuttle



SUMMER BAYFRONT SHUTTLE

- SUMMER BAYFRONT SHUTTLE
STOPS & DESTINATIONS

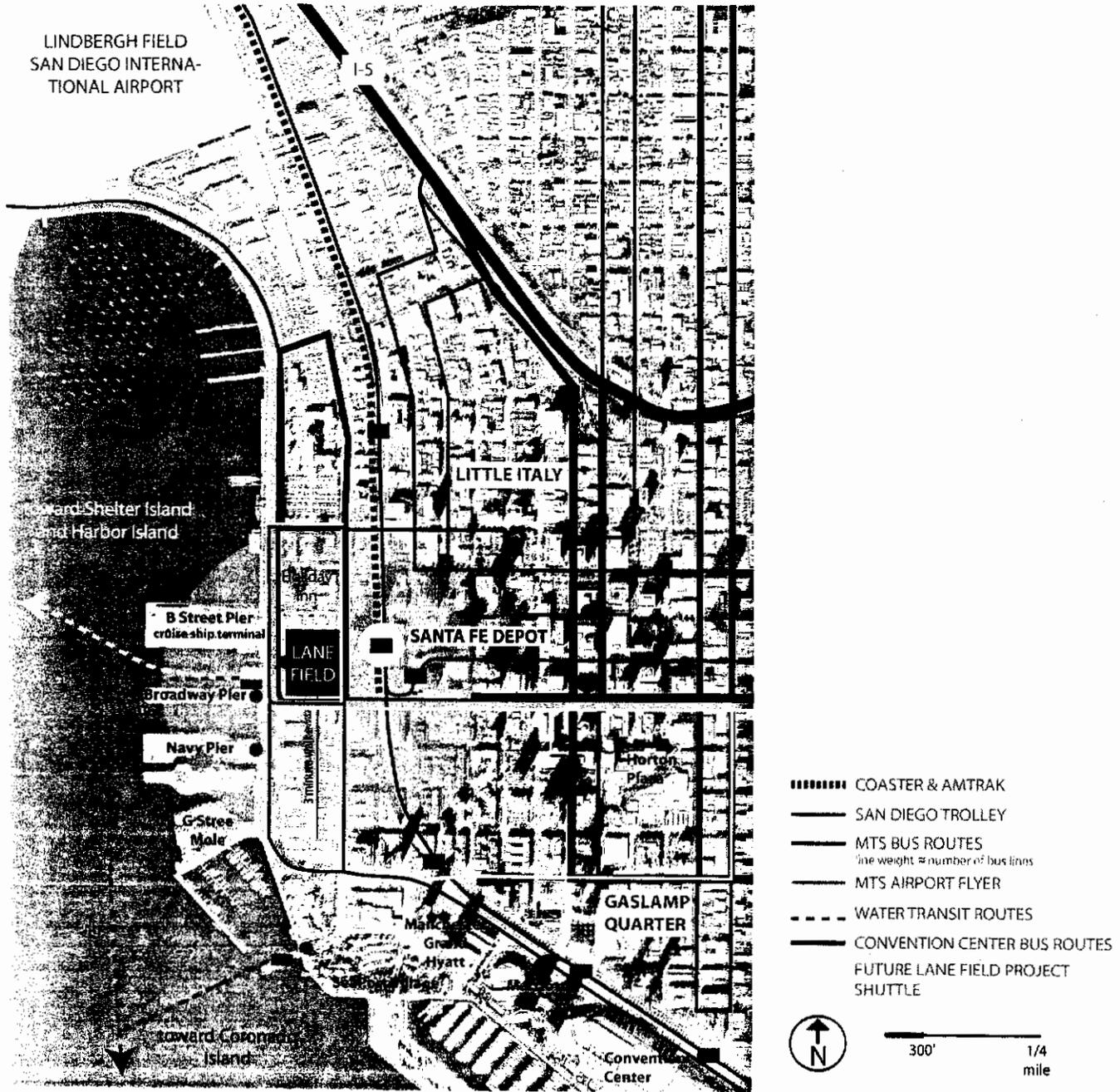


300' 1/4 mile

exhibit 5: waterfront shuttle route

LANE FIELD

public transportation infrastructure serving Lane Field



MTS STATION STATIONS:
Local and regional transit with services through Downtown San Diego and the Trolley. Trolley services are available offering a total of 11 stations. Check website for fare information and timetables and the international border.

AMTRAK COASTAL SERVICE:
Regional and high speed rail services between Downtown San Diego, San Jose, Chicago, Salt Lake City, and Corvallis, Oregon, and seasonal rail service.

WATER TRANSIT:
Water taxi and water bus services.

SAN DIEGO WATER TAXI:
On call transportation along San Diego Bay, serving Shelter Island, Harbor Island, Coronado and Downtown.

SAN DIEGO FERRY:
Service between Broadway Pier and Coronado Island.

PEDICAB STATIONS:

exhibit 6: transit infrastructure



Unified Port
of San Diego

RECEIVED

NOV 07 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

3165 Pacific Highway, San Diego, CA 92101
P.O. Box 120488, San Diego, CA 92112-0488
619.686.6200 • www.portofsandiego.org

VIA FAX & HAND DELIVERY

November 7, 2008

Th 9a

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

RE: Response to Staff Report Recommending No Substantial Issue on Appeal
No. A-6-PSD-08-04/A-6-PSD-08-101 of the Lane Field Hotel Development
Project Coastal Development Permit, As Amended

Dear Chairman Kruer and Commissioners:

On Thursday, November 13, 2008 the Commission will consider Appeal No. A-6-PSD-08-004 ("Appeal") to the Lane Field Hotel Development ("Project") Coastal Development Permit (CDP). The Board of Port Commissioners authorized issuance of the CDP on January 8, 2008 for the development of two hotels, retail, parking, and public park/plazas on the site of an existing surface parking lot. After months of collaborative effort with Commission staff, Port staff and Lane Field San Diego Developers, LLC ("Applicant") believe that all issues raised in the appeals have been adequately addressed in the CDP as amended October 7, 2008.

The Port supports Commission staff's recommendation that the Commission finds that the Appeal raises no substantial issue with respect to the Project's conformity with the Coastal Act and the certified Port Master Plan (PMP). Further, we write to clarify and emphasize certain facts regarding water quality and CDP conditions regarding a bayfront shuttle and affordable accommodations program.

Water Quality

The Port concurs with Commission staff's analysis that this Project will not adversely impact water quality. As required by the PMP, the Port will work cooperatively with the Regional Water Quality Control Board (RWQCB) and other public agencies to monitor water quality at the Project site and identify and remediate pollutants identified thereon. Beyond the Port's commitment, the RWQCB has also issued a letter to the Port confirming its regulatory oversight over the Project. Commission staff correctly asserts that the Project is also subject to statewide construction and municipal storm water permits. Compliance with all these requirements is embodied in the CDP's conditions of approval.

Considered together with best management practices to be implemented by the Project Applicant both during construction and throughout operation, these measures ensure that the Project will adequately protect the water quality of San Diego Bay. The concerns raised by Unite HERE Local 30 ("Appellant") that the Project will likely adversely affect water quality – despite extensive regulatory oversight, numerous permit requirements, and appropriate controls on groundwater



contamination and stormwater runoff – are unwarranted by the facts and fail to raise a substantial issue as to the Project's conformity with the Coastal Act and certified PMP.

Public Parking and the Bayfront Shuttle

The Project will be constructed on the site of an 880-space surface parking lot. Although the Appellant contends that the temporary loss of parking permanently diminishes public access, several factors demonstrate that overall, public access to the San Diego Bayfront will be greatly enhanced by the Project.

First, the surface lot will be replaced with a larger, 1,330-space underground garage. All parking spaces will be open and available to the public. Up to 1,030 spaces will be required to self-park the Project for its peak parking demand, assuming the unlikely case that all uses on the site experience peak demand simultaneously. Beyond self-parking the Project, the Project Applicant must also construct an additional 300 parking spaces in the garage, consistent with the requirements of the North Embarcadero Visionary Plan Master Environmental Impact Report (NEVP MEIR). The Appellant contends that cruise customers who currently park onsite will be permanently displaced, thereby exacerbating demand on allegedly limited parking supply. Yet parking studies funded by the Port and Project Applicant demonstrate that many of these cruise parkers will be absorbed by the thirteen or so public parking lots in the vicinity that market heavily to the cruise industry. The Port is actively working with its cruise ship partners to direct passengers to these lots.

The NEVP MEIR also requires that the Port conduct an annual inventory of public and private parking spaces along the North Embarcadero. Based on the inventory, the Port must prepare a Parking Management Plan with a toolkit of solutions to address parking deficiencies, if any. Port staff has completed this plan and provided a copy to Commission staff.

Although comprehensive parking solutions for the entire North Embarcadero are beyond the scope of the Project, the Project Applicant has also committed to implementing a bayfront shuttle linking pedestrians to major mass transit opportunities in the area. As correctly described by Commission staff, the shuttle may significantly improve the ability of visitors and residents to access the waterfront during the peak summer season. With a finding of no substantial issue on the CDP appeals, the Project Applicant will be required to implement the shuttle while working with the Port and other regional partners to enhance it, and ultimately replace it, with a comparable or more comprehensive transit solution.

Affordable Accommodations

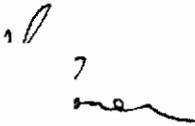
The Port acknowledges the Commission's interest in preserving and increasing the supply of low-cost overnight accommodations within the Coastal Zone. Following the original CDP appeals in January 2008, Port staff has worked closely and collaboratively with Commission staff and the Applicant to develop a program which will lead to the construction of a youth hostel on Port tidelands. This program is intended to replace the Commission's requirement for payment of in-lieu fees as has

been required of other hotel projects. Port staff, Commission staff, and the Project Applicant agree that the program is more likely to result in the construction of low-cost overnight accommodations on the bayfront than the payment of fees, but should the program not succeed, fee payment may be required by the Commission. Furthermore and contrary to the allegations of the Appellant, the program and fee payment are fully enforceable through conditions of the amended CDP.

In closing, Port staff appreciates the opportunity to work with Commission staff to resolve relevant concerns in the appeals. As is evident from the Commission staff report, most of the issues raised by the Appellant are irrelevant to the scope of the appellate procedure established by the Coastal Act and the Commission for substantial issue determinations. Although the Appellant disagrees, the appropriate level of environmental review for the Project was conducted at the local level, and allegations of insufficient CEQA review are not properly before the Commission on this appeal. Therefore, the Project will ensure that public access to and along the coast is enhanced and that a mix of new market and lower-cost accommodations will be encouraged and provided on San Diego Bay.

For the foregoing reasons, and those listed in the Commission staff report, we respectfully request that the Commission find that the Appeal to the CDP, as amended, raises no substantial issue with respect to the Project's conformance with the Coastal Act and the Port's certified PMP.

Respectfully Submitted,

Signature on File 

John W. Helmer
Director, Land Use Planning

Th 9a

Ian Trowbridge
3444 Hawk St
San Diego, CA 92103

November 5, 2000

California Coastal Commission
San Diego Area Office
7575 Metropolitan Drive, Suite 103
San Diego, CA 92108

Chair Kruer and Members of the California Coastal Commission:

I am an appellant in the appeal of the San Diego Port District approval of the Lane Field Hotel Development located on the North Embarcadero of downtown San Diego. I have recently retired after thirty years as a Professor at the Salk Institute for Biological Studies so that my formal training is as a research scientist. However, over the last few years I have been involved in land use issues in the City of San Diego as a public advocate. I am currently Co-chair of the Navy Broadway Complex Coalition, an organization that believes the Environmental Impact Report for that development certified in 1992 is insufficient in many respects, one of which is that substantial changes have occurred in downtown San Diego since the EIR was completed 18 years ago.

The Navy Broadway Complex is juxtaposed to Lane Field south of Broadway.

I believe there are substantial issues that vitiate the Port findings for approval of the Lane Field project and the concurrence of Coastal Commission staff. It is important to realize that the North Embarcadero is unique and the last opportunity to create a world-class locality that would be a national and international signature for America's Finest City. The alternative is to extend downtown to the shoreline with the same mundane skyscrapers that fill much of downtown San Diego and ignore the public at street level and have

generated no significant public places. The goal of an internationally acclaimed waterfront can only be achieved by developers and agencies actually sitting down together and engaging the public to come up with an integrated vision where to plan interconnected public spaces and then to design buildings around the public spaces. There are many national and international examples of successful shoreline developments including Millennium Park, Chicago, the Ferry Building, San Francisco, Sydney Opera House, Sydney, Australia and the Copenhagen Waterfront.

San Diego could have a stunning waterfront if this piecemeal development was not driven by agencies lacking imagination like CCDC and the Port District. Both agencies operate as if they were private businesses driven exclusively by the profit motive with little or no commitment to serve the public or improve quality of life.

I think it is important to put the decision the Coastal Commission is about to make today in a broader context because it will have a profound effect on San Diego for decades.

This quote by Theodore Roosevelt is right on point:

"I hope that you of San Diego, whose city is just entering on its great period of development, will recognize what so many old communities have failed to recognize. That beauty is not only well worthwhile for its own sake, but that it is valuable commercially. Keep your waterfront and develop it so that it may add to the beauty of your city. Do not let a number of private individuals . . . make it hideous with buildings, and then force your children to pay them an exorbitant sum to get rid of the ugliness they have created."

Theodore Roosevelt

During his visit to the 1915 Panama-California Exposition in San Diego.

I cede much of the responsibility for arguing the technical objections to the approval of the Lane Field to UNITED HERE Local 30 and their lawyers because I agree with their analysis. However, there are two major issues I do wish to address:

Transit /Traffic/ Transportation Plans

The developer has proposed a shuttle service and is to be congratulated on the concept in principle. However, the implementation of the shuttle is vague and the service minimal. In particular the developer and the Port District make no long-term commitment to the service. Frankly, the plan seems more geared to satisfying the Coastal Commission than a serious effort to mitigate traffic issues. The city (CCDC) commissioned a transit/traffic study by international experts as a condition of settling a lawsuit filed by SOFAR (Save Our Forests and Ranges). The report "Complete Community Complete Mobility" was completed September 2008, and can be found at:

[http://media.ccdc.com/resources/resource_files/Complete Community Complete Mobility FINAL 09-08.pdf](http://media.ccdc.com/resources/resource_files/Complete_Community_Complete_Mobility_FINAL_09-08.pdf)

It is inconceivable that this report was not discussed in the developer's proposal. The apparent ignorance of Port District staff and Commissioners that this study was in progress and now completed is also a matter of concern. The developer must put their transit plan in context with the analysis of transit/traffic/transportation in downtown San Diego contained in this report.

Also, the cumulative impact of the Land Field development, the Navy Broadway Complex Development and the Port District plan to build a second cruise ship terminal on Broadway Pier on traffic in the area on surface roads and freeways needs to be considered.

It is clear that traffic congestion would limit public access to the waterfront and be contrary to good public policy.

Accommodations for Lower Income Visitors

Another major issue is the vague promises of providing accommodations for lower income visitors. The developer again seems to me, having been a member of many national science review boards, seeks to satisfy the Coastal Commission rather than offer a well thought out specific mitigation program. I will not repeat the detailed arguments that are made by UNITED HERE Local 30 that

document in graphic detail just how diaphanous and unlikely this plan is.

It is unlikely that these plans will be honored without a detailed commitment by the Port District and the developer.

Conclusion

Based on just these two examples is crystal clear there are substantial issues raised by our appeals and that the Coastal Commission must find for the appellants and reject the recommendation of Coastal Commission staff.

Sincerely,

Ian Trowbridge

NOV 10 2008

P 858.450.1221
F 858.552.1445

November 7, 2008

www.biasandiego.org

PRESIDENT

Sherman D. Harmer, Jr.
Urban Housing Partners, Inc.

San Diego District Office
7575 Metropolitan Drive Suite 103
San Diego, CA 92108-4402

VICE PRESIDENT

Andrew Murphy
American Property Enterprises

Re: Applicant's Response to Staff Report and Recommendation On
Appeal of Coastal Development Permit No. CDP-2008-01; Appeal
No.: A-6-PSD-08-04 (Lane Field, San Diego)

TREASURER / SECRETARY

Bob Cummings
Barratt American

Attention San Diego District Office:

IMMEDIATE PAST PRESIDENT

Scott Brusseau
Newport National Corporation

On behalf of the San Diego County Building Industry Association, I
am writing to encourage the California Coastal Commission (CCC) to
support the recommendation made by your staff and find No
Substantial Issue regarding the Lane Field San Diego project.

CHIEF EXECUTIVE OFFICER

Paul A. Tryon

The sustainable features of Lane Field set a new high standard for
projects along our precious waterfront. The project's water
conservation measures are exemplary, and with fuel cell cogeneration
will reduce the carbon footprint and become a model for our
community.

AFFILIATES

California Building
Industry Association

National Association
of Home Builders

National Association
of Industrial and
Office Properties

I encourage you to approve the CCC staff recommendation of No
Substantial Issue and move forward with the Lane Field project.
Thank you for your consideration.

Sincerely,

[Handwritten signature]
Signature on File

Sherman D. Harmer, Jr.
President
Building Industry Association of San Diego



Letters of Support

13

RECEIVED

NOV 04 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT



October 30, 2008

Patrick Kruer Chairman
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Lane Field - Appeal of Coastal Development Permit No. CDP-2008-01; Appeal
No.: A-6-PSD-08-04

Dear Chairman Kruer:

On behalf of the San Diego Convention & Visitors Bureau (ConVis), I am writing to express our support for the proposed Lane Field project.

ConVis represents approximately 1,100 member businesses seeking a better community through the visitor industry. Our organization includes tourism-related entities in such categories as lodging, dining, arts, attractions, shopping, and transportation, among others, as well as companies indirectly involved in the visitor industry.

As a sales and marketing organization, the main objective of ConVis is to promote and market San Diego County as a premiere meetings and leisure travel destination.

We have had an opportunity to meet with the Lane Field development team during their conceptual and design phase of the proposed project. We appreciate the efforts of the team to reach out to us, and others, in the community. In our opinion, the proposed Lane Field development strongly values the importance of public access and visitor-serving amenities, as demonstrated through the incorporation of public plazas, viewing terraces and their extensive public access circulation plan.

Tourism is a vital part of our local economy. Lane Field will promote tourism through the addition of new hotel accommodations (800 rooms), which will bring more visitors to the downtown area and the Coastal Zone. Further, we are enthused by Lane Field's commitment to work with the Port to develop a new hostel on Port land, central to visitor amenities.

We would also like to applaud Lane Field's commitment to initiate the operation of a low cost summer shuttle along Downtown San Diego's waterfront. The shuttle will provide linkages to and between popular destinations, both along the bay and within the city. The route offers connections, through close proximity, to Little Italy, the Marina District, Gaslamp Quarter and Petco Park, while also creating key transit links



THE OFFICIAL TRAVEL RESOURCE FOR THE SAN DIEGO REGION

2010-2011
San Diego Convention & Visitors Bureau
45 Fremont Street
San Diego, CA 92101
www.sandiego.org

44

California Coastal Commission
Lane Field Development
Page 2 of 2

to Amtrak, the Coaster and the San Diego Trolley. Mobility is central to the success of our visitor serving industries, particularly along the waterfront.

Lane Field is a truly catalytic project for the North Embarcadero. On behalf of ConVis, I encourage the California Coastal Commission to support the Lane Field project, which will bring much-needed visitor-serving amenities and enhancement to the Embarcadero.

Sincerely,

Signature on File

David Peckinpugh
President & CEO

cc: Coastal Commission Members

45



JERRY SANDERS
MAYOR

November 7, 2008

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

**Re: Lane Field - Appeal of Coastal Development Permit No. CDP-2008-01;
Appeal No.: A-6-PSD-08-04 / 4-6-PSD-08-101**

Dear Chairman Kruer:

On behalf of the City of San Diego, I respectfully request your support of the Lane Field project. This project has been in the making for more than a decade and will turn a parking lot into an activated bay front, bringing visitor-serving hotels, retail and public space into what today is a fenced and restricted area accessible only for parking. Lane Field also will provide funding to turn North Harbor Drive into a pedestrian friendly tree-lined waterfront boulevard joining downtown to our bay front.

Approval of this project will bring a critical boost to our local tourism economy, create jobs for San Diegans, and incorporate a sustainable development plan with reduced water use and a smaller carbon footprint. Most importantly, it will enable the region to begin the public improvements that will enhance our waterfront for residents and visitors alike. San Diegans spent years contributing to and formulating the vision for San Diego's waterfront and finally see the reality taking shape with the Lane Field development.

In addition to providing a catalyst for the rebirth of the bay front and the many public benefits, the Lane Field project has also provided the opportunity to take a broader look at the future of our downtown and waterfront transit opportunities and future planning.

For these reasons, I request that you and your fellow commissioners support this project.

Sincerely,

Signature on File

JERRY SANDERS
Mayor

JD/pr

Chairman Kruer
November 6, 2008
Page 2

cc:

Steve Blank
4100 Cabrillo Hwy (Hwy 1)
Pescadero, CA 94060

Steven Kram
10877 Wilshire Blvd., Suite 603
Los Angeles, CA 90024

Sara Wan
45 Fremont St., Suite 2000
San Francisco, CA 94105

Mary K. Shallenberger
45 Fremont St., Suite 2000
San Francisco, CA 94105

Dr. William A. Burke
11110 West Ohio Ave., Suite 100
Los Angeles, CA 90025

Bonnie Neely
Board of Supervisors
825 Fifth Street, Room 111
Eureka, CA 95501

Khatchik Achadjian
Board of Supervisors
1055 Monterey Street, Room D-430
San Luis Obispo, CA 93408

Mike Reilly
County of Sonoma
575 Administration Drive, Room 100
Santa Rosa, CA 95403-2887

Larry Clark
Councilmember
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275
(310) 544-5207

Chairman Kruer
November 6, 2008
Page 2

Dave Potter
County of Monterey, District 5
1200 Aguajito Road, Suite 001
Monterey, CA 93940

Ben Hueso
City Administration Building
202 C Street 10-A
San Diego, CA 92101

James Wickett
45 Fremont St., Ste. 2000
San Francisco, CA 94105

Peter Douglas
Executive Director
45 Fremont St.
Suite 2000
San Francisco, CA 94105

San Diego District Office
7575 Metropolitan Drive Ste 103
San Diego, CA 92108-4402

November 4, 2008

Receiver

NOV 04 2008

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

California Coastal Commission
San Diego Coast District

Re: Appeal of Coastal Development Permit No. CDP-2008-01;
Appeal No.: A-6-PSD-08-04 (Lane Field, San Diego)

Dear Chairman Kruer and Commissioners:

On behalf of the San Diego Regional Chamber of Commerce, our 3,000 members and their 400,000 employees, I write to express support for the Lane Field project.

The Chamber believes that the project is an essential part of the North Embarcadero Visionary Plan. We have been a long-time supporter of the Visionary Plan, a much needed blue print which will complete the revitalization of the western part of San Diego's downtown and create a vibrant waterfront. This, in turn, will translate into new business opportunities, jobs and dollars for our city. It is estimated that in its first year (2011), the project will generate a Transient Occupancy Tax (TOT) of \$5.5 million, and an additional \$3.7 million in sales tax and \$3.4 million in property tax. TOT estimates increase to \$6.5 million in 2012, and \$7 million in 2013.

The developer has informed the Chamber that the project team is using an aggressive sustainability approach with the goal to achieve LEED Silver certification and that sun access, landscaping and pedestrian/public access are important parts of the design for the project. Further, the developer is offering transit opportunities by adding an area-wide shuttle system serving visitors to downtown with stops at bay front points of interest during peak summer months.

Considering the impact the project will have on the revitalization of San Diego's waterfront, the revenue it will bring to the City and the excellent design standards the project team is applying, the San Diego Regional Chamber of Commerce Board of Directors has voted to support the Lane Field Project. We urge the Commission to grant the proponents' appeal and move this important project forward.

Sincerely,

Signature on File 

Ruben Barrales
President & CEO

RB:av



HOSTELLING INTERNATIONAL USA

San Diego Council - WWW.HIUSA.ORG

739 4th Ave. Suite 203 San Diego, CA 92101 T 619.338.9981 F 619.525.1533

RECEIVED

NOV 04 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

October 29, 2008

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Appeal of Coastal Development Permit No. CDP-2008-01; Appeal No.: A-6-PSD-08-04 (Lane Field, San Diego)

Hostelling International USA, San Diego Council is very excited to be working with Lane Field on a possible hostel on Port Tidelands.

Hostelling International USA, San Diego Council (HI-San Diego) is a 501(c)3 nonprofit organization whose mission is "to help all, especially the young, gain a greater understanding of the world and its people through hostelling." Through our hostels we provide travelers with quality accommodations at a great price. The hostels are a safe place for travelers to meet informally, share their experiences, and learn about other cultures. Such interactions foster an international awareness about current issues, and serve as catalysts for peace and understanding. Every year, HI-San Diego hosts thousands of travelers from across the globe at our locations in the Gaslamp Quarter and Point Loma. Adding an additional hostel location on Port Tidelands would be a perfect opportunity to provide visitors to San Diego affordable access to coastal areas.

We have spent the last few months collaborating with Lane Field on the prospect of a hostel on Port Tidelands. We have had a very positive experience working with Lane Field and fully support this proposal.

Thank you for consideration of this project, we look forward to one day soon, inviting hostellers of all ages, from around the world to a hostel at one of the most beautiful locations in California - the Port Tidelands.

Sincerely,

Signature on File

Signature on File

Nandita Murthy
Board President Elect

Sue Schaffner
Executive Director

50

cc:

Steve Blank
4100 Cabrillo Hwy (Hwy 1)
Pescadero, CA 94060

Steven Kram
10877 Wilshire Blvd.- Suite 603
Los Angeles, CA 90024

Sara Wan
45 Fremont St., Suite 2000
San Francisco, CA 94105

Mary K. Shallenberger
45 Fremont St., Suite 2000
San Francisco, CA 94105

Dr. William A. Burke
11110 West Ohio Ave., Suite 100
Los Angeles, CA 90025

Bonnie Neely
Board of Supervisors
825 Fifth Street, Room 111
Eureka, CA 95501

Khatchik Achadjian
Board of Supervisors
1055 Monterey Street, Room D-430
San Luis Obispo, CA 93408

Mike Reilly
County of Sonoma
575 Administration Drive, Room 100
Santa Rosa, CA 95403-2887

Larry Clark
Councilmember
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275
(310) 544-5207

Dave Potter
County of Monterey, District 5
1200 Aguajito Road, Suite 001
Monterey, CA 93940

Ben Hueso
City Administration Building
202 C Street 10-A
San Diego, CA 92101

James Wickett (alternate for Steve
Blank)
45 Fremont St., Ste. 2000
San Francisco, CA 94105

Peter Douglas
Executive Director
45 Fremont St.
Suite 2000
San Francisco, CA 94105

San Diego District Office
7575 Metropolitan Drive Ste 103
San Diego, CA 92108-4402

51



RECEIVED

NOV 03 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Appeal of Coastal Development Permit No. CDP-2008-01; Appeal No.: A-6-PSD-08-04 (Lane Field, San Diego)

Dear Chairman and Commissioners,

The San Diego Downtown Residents Group has been involved in the Redevelopment of Downtown San Diego, including our waterfront since 1987. The Lane Field Development at the foot of Broadway has been part of the North Embarcadero Visionary Plan since it's inception. The replacement of literally acres of asphalt with this development and the resulting preservation of both the C Street view corridor and restoration of public access to the waterfront via C Street are integral to our Downtown Community Plan. Access via C Street provides a pleasant and direct two block walk to the waterfront from the Trolley, Coaster, and AMTRAK which all stop at the Historic Santa Fe Depot and debark at C Street. This will replace a previously roundabout indirect access involving either a four block or six block walk to the waterfront.

Lane Field's multi-modal transit program is forward thinking and attractive especially the operation of a low cost summer shuttle providing access to downtown bay front points of interest. This shuttle will be the first public transport of its kind in the area, providing linkages between previously unconnected destinations, including Petco Park, Gaslamp Quarter and Little Italy. Further, the initiation of a shuttle will enhance public access along the waterfront, improving circulation and providing relief to traffic congestion especially allowing convenient public use of an under utilized parking garage at Park Blvd. and Harbor Drive.

We strongly urge you to approve the Lane Field Project.

Sincerely,

Signature on File

Gary Smith, President

cc: Attached list

52

CC: Lane Field Letter

Steve Blank ✓
4100 Cabrillo Hwy (Hwy 1)
Pescadero, CA 94060

Steven Kram ✓
10877 Wilshire Blvd.- Suite 603
Los Angeles, CA 90024

Sara Wan ✓
45 Fremont St., Suite 2000
San Francisco, CA 94105

Mary K. Shallenberger ✓
45 Fremont St., Suite 2000
San Francisco, CA 94105

Dr. William A. Burke ✓
11110 West Ohio Ave., Suite 100
Los Angeles, CA 90025

Bonnie Neely ✓
Board of Supervisors
825 Fifth Street, Room 111
Eureka, CA 95501

Khatchik Achadjian ✓
Board of Supervisors
1055 Monterey Street, Room D-430
San Luis Obispo, CA 93408

Mike Reilly ✓
County of Sonoma
575 Administration Drive, Room 100
Santa Rosa, CA 95403-2887

Larry Clark ✓
Councilmember
City of Rancho Palos Verdes
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275
(310) 544-5207

Dave Potter ✓
County of Monterey, District 5
1200 Aguajito Road, Suite 001
Monterey, CA 93940

Ben Hueso ✓
City Administration Building
202 C Street 10-A
San Diego, CA 92101

James Wickett (alternate for Steve Blank)
45 Fremont St., Ste. 2000
San Francisco, CA 94105



BOARD OF DIRECTORS
EDWARD PLANT, CHAIRMAN
SAN DIEGO REFRIGERATION SERVICES
LEE WILSON, VICE CHAIRMAN
NORHRUP GRUMMAN
CONTINENTAL MARITIME

Ray Ashley
MARITIME MUSEUM
Mark Bailey
CHESAPEAKE FISH COMPANY
CHRIS BARNES
GENERAL DYNAMICS NASSCO
RICHARD BARTELL
BARTELL HOTELS
Capt. Bill Bartsch
S.D. BAY PILOTS
Susan Baumann
BALL HAI RESTAURANT
Sampson A. Brown, Esq.
KNIGHT & CARVER
* **R.A. Carpenter**
R.E. STATE ENGINEERING
Randy Dick
FIVE STAR PARKING
Thomas A. Driscoll
DRISCOLL BOAT WORKS
Ted Eldredge
MANCHESTER RESORTS
Uri FELDMAN
SUNROAD ENTERPRISES
VICTOR FRESCA
DIXIELINE LUMBER
* **Rick Ghio**
ANTHONY'S FISH GROTTO
Shawn Halvax
BAE SYSTEMS SAN DIEGO SHIP REPAIR
Ted Kanatas
MANCHESTER GRAND HYATT RESORT
Eric Leslie
HARBOR ISLAND WEST MARINA
Dick Luther
DLA PIPER US LLP
MIKE McDOWELL
ATLAS KONA KAI
Karen McElliott
CHULA VISTA MARINA & RV RESORT
Jack Monger
The Monger Company
Steve Pagano
San Diego Marriott Hotel & Marina
* **George Palermo**
San Diego Harbor Excursions
* **H.P. "Sandy" Purdon**
SHELTER COVE MARINA
Ahmad Solomon
SDG&E
GARY SULLIVAN
GOODRICH
Joe Terzi
SHERATON SAN DIEGO HOTEL & MARINA
Jim Unger
HORNBLOWER CRUISES & EVENTS
Bruce Walton
SEAPORT VILLAGE OPERATING CO., LLC
Perry Wright
CONSIDINE & CONSIDINE

DIRECTOR EMERITUS
* **Arthur E. Engel**
Tom Fetter
Douglas Manchester
* **Pete Litrenta**

STAFF
Sharon Bernie-Cloward
PRESIDENT
Kristin Peterson
DIRECTOR OF OPERATIONS

* SDPTA Past Chairmen



RECEIVED

NOV 03 2008

CALIFORNIA
COASTAL COMMISSION
SAN DIEGO COAST DISTRICT

SAN DIEGO PORT TENANTS ASSOCIATION

October 29, 2008

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Suite 2000
San Francisco, CA 94105-2219

Re: Appeal of Coastal Development Permit No. CDP-2008-01; Appeal
No.: A-6-PSD-08-04 (Lane Field, San Diego)

Dear Chairman Kruer:

On behalf of the San Diego Port Tenants Association (SDPTA), I am writing to express our support for the Lane Field San Diego Developers (LFSDD) proposed project.

Our organization is a non-profit coalition of businesses that lease land along the tidelands of San Diego Harbor. The SDPTA membership includes representatives from a broad list of maritime, hospitality, aerospace, retail and restaurant businesses and organizations.

SDPTA has been a very active participant in the conception of and planning for the North Embarcadero Visionary Plan since the mid 1990's. It is a long awaited vision that will enhance the visitor serving businesses represented by the SDPTA. We are particularly enthusiastic about the Lane Field project moving forward, as it is the catalyst for the NEVP, a transformation of Downtown San Diego's waterfront into a world-class promenade.

The design and development team of Lane Field has shown a particular commitment to incorporating public access throughout the project, again, for Port tenants, visitors and locals alike. More specifically, the project includes extensive public open space, including Broadway Plaza, C-Street plaza, pedestrian pathways and rooftop viewing terraces.

54

Chairman Patrick Krueer and Commissioners

October 29, 2008

Page 2

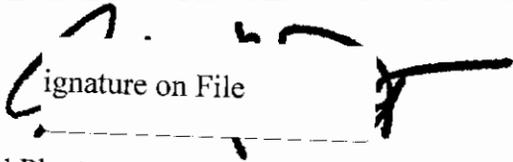
The SDPTA supports the commitment that Lane Field has made to work with the Port of San Diego to contribute to the construction of a new hostel on Port land near the San Diego bay front. We consider this to be the first step in expanding San Diego's visitor profile to include young, diverse travelers who otherwise could not afford to lodge along San Diego's waterfront. We believe that such diversity will strengthen the vitality of the waterfront, and therefore the businesses along the Embarcadero.

Through the initiation of a low cost summer shuttle along the waterfront, LFSDD will offer visitors and members of the public an alternative means for exploring the multitude of amenities and destinations available. The shuttle will bring customers to waterfront businesses and alleviate parking pressures and traffic congestion, particularly during peak summer months.

It should be noted that LFSDD has been highly engaged with the SDPTA throughout the design and planning process, seeking and integrating our comments and feedback. Their open approach is highly appreciated.

Again, on behalf of the SDPTA, I urge your support of the Lane Field San Diego Developer's project. We hope you allow the project to go forward as approved by the Port of San Diego. Thank you for your consideration.

Sincerely,
SAN DIEGO PORT TENANTS ASSOCIATION


Signature on File

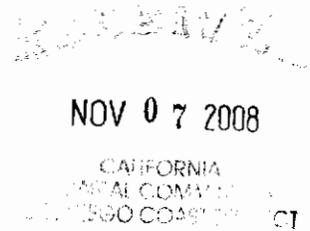
Ed Plant
Chairman

cc:
Steve Blank
Steven Kram
Sara Wan
Mary K. Shallenberger
Dr. William A. Burke
Bonnie Neely
Khatchik Achadjian
Mike Reilly
Larry Clark
Dave Potter
Ben Hueso
James Wickett (alternate for Steve Blank)
Peter Douglas
San Diego District Office

55



THE VOICE OF DOWNTOWN



November 4, 2008

Chairman Patrick Kruer and Commissioners
California Coastal Commission
45 Fremont Street, Ste. 2000
San Francisco, CA 94105-2219

RE: Lane Field – Appeal of Coastal Commission Development Permit No. CDP-2008-01; Appeal No. A-6-PSD-08-04

Dear Chairman Kruer,

I am writing today to express the Downtown San Diego Partnership's full support of the Lane Field project. The Partnership has been actively engaged as a stakeholder since the inception of the planning process for the San Diego waterfront. The development of the Lane Field project is a vital component to the overall vision and future success of our waterfront.

Lane Field is consistent with the guiding principles adopted by the Downtown San Diego Partnership, including the comprehensive planning of our waterfront, achieving appropriate balance between development intensity and publicly accessible spaces, and supporting increased density with well designed, appropriate public infrastructure. Additionally, Lane Field has listened to concerns brought forward by business and community leaders and has adopted appropriate changes, including open space, streetscape, and view corridor improvements.

Most importantly, the project encourages non-automobile transportation opportunities for guests and employees; incorporates a multi-modal transportation plan that includes easy access to a wide range of public transportation options; and bike racks, as well as adequate on-site parking. As Lane Field will be providing a low-cost summer waterfront shuttle service that will enhance accessibility to our waterfront, while addressing key environmental concerns, the Downtown San Diego Partnership strongly encourages support of this project.

I respectfully urge you to support Lane Field's appeal and let this vital project for San Diego and our coast move forward in an expeditious manner. Please do not hesitate to contact me should you have any questions.

Sincerely,

Signature on File

Barbara Warden
President
Downtown San Diego Partnership

Cc: Mr. Steve Blank
Mr. Steven Kram
Mrs. Sara Wan
Mrs. Mary K. Shallenberger
Dr. William A. Burke
Mrs. Bonnie Neely
Mr. Khatchik Achadjian
Mr. Mike Riley
Mr. Larry Clark
Mr. Dave Potter
Mr. Ben Hueso
Mr. Michael Chrisman
Mr. Paul Thayer
Mr. Dale E. Bonner
Mr. Peter Douglas

DISCLOSURE OF EX PARTE COMMUNICATIONS

RECEIVED

NOV 07 2008

CALIFORNIA
COASTAL COMMISSION

Name or description of project:

Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego) Appeal by Commissioners Kruer & Shallenberger, Ian Trowbridge & UNITE-HERE Local 30 from decision of Port of San Diego granting permit with conditions to Lane Field San Diego Developers, LLC to construct 2 hotels (205 ft.-high & 275 ft.-high) with 800 rooms total, approximately 80,000 sq. ft. of retail uses, restaurants, public spaces and underground parking for 1,330 vehicles, and development of an off-site hostel and public shuttle program, at site north of Broadway Street between Pacific Highway and Harbor Drive, Port District, San Diego, San Diego County.

Date and time of receipt of communication:

October 31, 2008 at 1:00 pm

Location of communication:

La Jolla

Type of communication:

In person meeting

Person(s) in attendance at time of communication:

Susan McCabe, Jerry Trammer

Person(s) receiving communication:

Patrick Kruer

Detailed substantive description of the content of communication:

(Attach a copy of the complete text of any written material received.)

I received a briefing from the project representatives in which they described the project and informed me that they are in agreement with the staff recommendation of No Substantial Issue. They described the benefits of the project, including the establishment of new visitor serving uses, extensive public open space, low cost overnight accommodations and a bayfront shuttle program. The representatives described their efforts to work with staff and to respond to the concerns raised in the appeal of the original Port approval. The applicant modified their proposal to incorporate the establishment of a new hostel on Port-controlled land and to provide a multi-modal transit plan that includes a summer shuttle program. The Port's original permit was amended to specifically include these items. As described by the representatives, the project proponent will also use sustainable design measures and is committed to acquiring LEED silver certification. Water quality will be protected during and after construction through BMPs required by the Port and reviewed by Coastal Commission staff. They indicated that objections raised by outside appellants are not Coastal Act issues.

Date:

11/6/08

Signature on File

Signature of Commissioner:

[Handwritten Signature]

EX-PARTE COMMUNICATIONS DISCLOSURE

Person(s) initiating communication: Penny Elia 14a
Sierra Club
Graham Forbes 9a
UNITE HERE Local 30
Judy Fogel 20b
Malibu resident

Person(s) receiving communication: Steve Kram

Location of communication: Telephone

Time/Date of communication: November 6, 2008 – 3:30 pm

Type of communication: Teleconference

Name or description of the project(s)/topics of discussion:

9a. Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego) Appeal by Commissioners Kruer & Shallenberger, Ian Trowbridge & UNITE-HERE Local 30 from decision of Port of San Diego granting permit with conditions to Lane Field San Diego Developers, LLC to construct 2 hotels (205 ft.-high & 275 ft.-high) with 800 rooms total, approximately 80,000 sq.ft. of retail uses, restaurants, public spaces and underground parking for 1,330 vehicles, and development of an off-site hostel and public shuttle program, at site north of Broadway Street between Pacific Highway and Harbor Drive, Port District, San Diego, San Diego County. (DL-SD)

We urge the Commission to find that appeal Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego) raises a substantial issue and that the project should be reviewed at a de novo hearing.

14a. City of Newport Beach LCP Amendment No. NPB-MAJ-1-07 (Land Use Changes). Public hearing and action on request by the City of Newport Beach to amend the certified Land Use Plan (LUP) by: (a) changing the land use classification and density/intensity system currently used in the LUP and LUP maps to reflect the new system adopted in the City General Plan's Land Use Element Update; (b) change in land use designation of 55 sites involving several hundred properties in the coastal zone; (c) policy revisions and additions addressing land uses, site design, building volume, mass, clustering, setbacks, architecture, and nonconformities, Newport Beach, Orange County. (KFS/LR-LB)

We not only ask you to support staff's recommendation for denial of the proposed changes to the LUP by the City of Newport Beach and approval with modifications, but we also ask you to consider postponing this issue to resolve important questions relating to Chapter 3 policies including ESHAs and the size of the buffer areas, public access to the coast, and protection of public viewshed areas and coastal bluffs.

20b. Appeal No. A-4-MAL-08-074 (Los Angeles Co. Beaches & Harbors, Malibu) Appeal by Commissioners Wan and Kruer from decision of City of Malibu granting permit to Los Angeles County Beaches & Harbors for restoration and repair of portion of Zuma Creek that runs along Zuma Beach access road beneath Highway One to correct current flood damage and prevent future access road flooding, at 30050 Pacific Coast Highway, Malibu, Los Angeles County. (DC-V)

We ask you to support the appeal by Commissioners Wan and Kruer.

60

RECEIVED

NOV 04 2008

FORM FOR DISCLOSURE OF EX PARTE COMMUNICATIONS

RECEIVED

NOV 04 2008

CALIFORNIA COASTAL COMMISSION SAN DIEGO COAST DISTRICT

CALIFORNIA COASTAL COMMISSION

Name or description of project, LPC, etc.: Lane Field

Date and time of receipt of communication: 11/3/08 11:15 AM

Location of communication: La Jolla, Calif.

Type of communication (letter, facsimile, etc.): telephone call

Person(s) initiating communication: Brigitte Browning

Detailed substantive description of content of communication:
(Attach a copy of the complete text of any written material received.)

She ask about a delay or postponement of the project until the December meeting. I told her if staff schedules a hearing date and I ask to delay it, that is not very fair to the applicant. She suggested many more speakers would be available and I explained that the process we follow on substantive issue is very limited in time, typically 3 minutes per side.

11/3/08
Date

Signature on File

Signature of Commissioner

If the communication was provided at the same time to staff as it was provided to a Commissioner, the communication is not ex parte and this form does not need to be filled out.

If communication occurred seven or more days in advance of the Commission hearing on the item that was the subject of the communication, complete this form and transmit it to the Executive Director within seven days of the communication. If it is reasonable to believe that the completed form will not arrive by U.S. mail at the Commission's main office prior to the commencement of the meeting, other means of delivery should be used, such as facsimile, overnight mail, or personal delivery by the Commissioner to the Executive Director at the meeting prior to the time that the hearing on the matter commences.

If communication occurred within seven days of the hearing, complete this form, provide the information orally on the record of the proceeding and provide the Executive Director with a copy of any written material that was part of the communication.

6

FORM FOR DISCLOSURE OF
EX-PARTE COMMUNICATIONS

RECEIVED

NOV 07 2008

CALIFORNIA
COASTAL COMMISSION

Name or description of the project: Th 9.a. Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego)

Time/Date of communication: Friday, November 7, 2008 9:15 am

Location of communication: La Jolla

Person(s) initiating communication: Dave Grubb, Gabriel Solmer, Graham Forbes

Person(s) receiving communication: Patrick Kruer

Type of communication: Meeting

Oppose staff recommendation. Urge finding of substantial issue.

The issues on this project are complex enough that it deserves a full hearing.

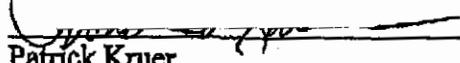
This appeal was first to be before the commission in March of this year. The staff report for the March hearing recommended that the appeals filed by multiple parties, including Commissioners Kruer and Shallenberger, raised a substantial issue due to insufficient public access, no alternative parking or transportation measures, a lack of affordable accommodations, water quality concerns and building designs inconsistent with the stepback requirements of the Port Master Plan. In their report, staff cited the project's incompatibility with Goals IV and VI of the Port Master Plan and Sections 30210, 30211, 30212, 30222, 30252, 30253, and 30708 of the Coastal Act, among others.

However, the item was continued from the March hearing because applicant decided to waive their right to have a hearing in 49-days to avoid staff's recommendation that the commission find substantial issue.

Now, the applicant has put forth a proposal that attempts to mitigate the issues raised by these appeals with the understanding that commission staff would recommend no substantial issue. The proposal put forth is insufficient.

Parking for public access remains a significant issue and the vague plan for shuttle service and off-site mitigation is inadequate.

Date: November 7, 2008

Signature on File

Patrick Kruer

62

EX-PARTE COMMUNICATIONS DISCLOSURE

Person(s) initiating communication: Penny Elia 14a
Sierra Club
Graham Forbes 9a
UNITE HERE Local 30
Judy Fogel 20b
Malibu resident

Person(s) receiving communication: Larry Clark
Location of communication: Telephone
Time/Date of communication: November 7, 2008 – 3 pm
Type of communication: Teleconference

Name or description of the project(s)/topics of discussion:

9. NEW APPEALS. See AGENDA CATEGORIES.

a. **Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego)** Appeal by Commissioners Kruer & Shallenberger, Ian Trowbridge & UNITE-HERE Local 30 from decision of Port of San Diego granting permit with conditions to Lane Field San Diego Developers, LLC to construct 2 hotels (205 ft.-high & 275 ft.-high) with 800 rooms total, approximately 80,000 sq.ft. of retail uses, restaurants, public spaces and underground parking for 1,330 vehicles, and development of an off-site hostel and public shuttle program, at site north of Broadway Street between Pacific Highway and Harbor Drive, Port District, San Diego, San Diego County. (DL-SD)

We urge the Commission to find that appeal Appeal No. A-6-PSD-08-004 (Lane Field Developers, San Diego) raises a substantial issue and that the project should be reviewed at a de novo hearing.

14. LOCAL COASTAL PROGRAMS (LCPs) See AGENDA CATEGORIES.

a. **City of Newport Beach LCP Amendment No. NPB-MAJ-1-07 (Land Use Changes).** Public hearing and action on request by the City of Newport Beach to amend the certified Land Use Plan (LUP) by: (a) changing the land use classification and density/intensity system currently used in the LUP and LUP maps to reflect the new system adopted in the City General Plan's Land Use Element Update; (b) change in land use designation of 55 sites involving several hundred properties in the coastal zone; (c) policy revisions and additions addressing land uses, site design, building volume, mass, clustering, setbacks, architecture, and nonconformities, Newport Beach, Orange County. (KFS/LR-LB)

We not only ask you to support staff's recommendation for denial of the proposed changes to the LUP by the City of Newport Beach and approval with modifications, but we also ask you to consider postponing this issue to resolve important questions relating to Chapter 3 policies including ESHAs and the size of the buffer areas, public access to the coast, and protection of public viewshed areas and coastal bluffs.

20b. **Appeal No. A-4-MAL-08-074 (Los Angeles Co. Beaches & Harbors, Malibu)** Appeal by Commissioners Wan and Kruer from decision of City of Malibu granting permit to Los Angeles County Beaches & Harbors for restoration and repair of portion of Zuma Creek that runs along Zuma Beach access road beneath Highway One to correct current flood damage and prevent future access road flooding, at 30050 Pacific Coast Highway, Malibu, Los Angeles County. (DC-V)

We ask you to support the appeal by Commissioners Wan and Kruer.

Larry Clark
Calif Coastal Commissioner
11/10/08

CALIFORNIA COASTAL COMMISSION

SAN DIEGO AREA
7575 METROPOLITAN DRIVE, SUITE 103
SAN DIEGO, CA 92108-4421
(619) 767-2370



Th 9a

Filed: January 17, 2008
49th Day: Waived
Staff: D. Lilly-SD
Staff Report: October 29, 2008
Hearing Date: November 12-14, 2008

STAFF REPORT AND RECOMMENDATION ON APPEAL
SUBSTANTIAL ISSUE

LOCAL GOVERNMENT: San Diego Unified Port District

DECISION: Approval with Conditions

APPEAL NO.: A-6-PSD-08-04/A-6-PSD-08-101

APPLICANT: Lane Field San Diego Developers, LLC

PROJECT DESCRIPTION: Redevelopment of the former Lane Field: Lane Field North will have a 205-foot high hotel with 275 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms; and a 3-story building surrounding the hotel with 30,000 sq.ft. of visitor-serving retail and restaurants. Lane Field South will have a 275-foot high hotel with 525 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms, and a 3-story building surrounding the hotel with 50,000 sq.ft. of visitor-serving retail and restaurants. Also included are 1,330 underground parking spaces and public plazas, development of a public downtown shuttle system, and a hostel development program.

PROJECT LOCATION: North of Broadway Street between Pacific Highway and Harbor Drive, San Diego, San Diego County

APPELLANTS: Coastal Commissioners Patrick Kruer and Mary Shallenberger; UNITE-HERE Local 30; Ian Trowbridge.

SUMMARY OF STAFF RECOMMENDATION:

The staff recommends that the Commission, after public hearing, determine that no substantial issue exists with respect to the grounds on which the appeal has been filed.

The primary issues raised by the subject development relate to the Port Master Plan (PMP) and Coastal Act requirements to protect and provide public access and lower cost visitor-serving facilities. The proposed project would redevelop the site with a variety of visitor-serving uses including two hotels, retail, restaurants, and a 1,300 space underground parking garage to serve the new uses. While these are high-priority uses,

the existing site is currently an 880-space surface public parking lot. The proposed parking garage would include only 300 public parking spaces beyond that necessary to serve the proposed hotel and retail development; thus, the development would actually result in 580 fewer parking spaces available to downtown and waterfront visitors. The proposed removal of existing parking, combined with a significant increase in intensity of development at the site, is more than sufficient to trigger the need for the provision of new transit linkages from the development to and along the waterfront.

The project also includes the construction of 800 luxury hotel rooms on a prime waterfront location that might otherwise be used for more affordable accommodations available to a wide range of the public. Originally, the project did not include any offsetting mitigation measures that would promote lower-cost overnight accommodations.

Therefore, the Port District, the applicant, and Commission staff has worked together to develop two important changes to the project: a new Multimodal Transit Opportunity Promotion Plan, and a revised Public Access Program. In addition to describing proposed employee and guest mass transit incentives and opportunities, the Multimodal Transit Opportunity Plan includes implementation of a public Bayfront shuttle service during the summer for a period of three years, after which time the shuttle could be extended or discontinued through an amendment to the coastal development permit (see Exhibit #7).

The Public Access Program includes a pedestrian access and circulation plan, and a program that will fund, in partnership with the Port District, construction of a non-profit hostel in the downtown area providing a minimum of 400 beds (see Exhibit #6). If an appropriate site cannot be found within specific time limits outlined in the permit, a mitigation fee of \$30,000 for 25% of the approximately 800 higher cost units constructed (approximately \$6,000,000) will be paid.

On October 7, 2008, the Board of Port Commissioners approved an amendment to the original coastal development permit incorporating these programs into the Port approval. As the project was already before the Commission on appeal, the subsequent amendment made by the Port District is considered part of and incorporated into the subject appeal. Therefore, as amended, the project will ensure that public access to and along the coast is enhanced, and that new high and lower-cost overnight accommodations will be encouraged and provided.

Although it was not necessary to do so in order to address the amended project, UNITE HERE appealed the coastal permit amendment and submitted additional comments and objections to the project. In addition to potential impacts on public access and recreation, appellants have raised concerns that the project would adversely impact water quality, due to the presence of contaminated soils on the site. Commission water quality staff has reviewed the project plans and the detailed water quality programs for the project, including the Storm Water Pollution Prevention Plan (SWPPP), and determined that the project will not have an adverse impact on water quality or biological resources.

The appellants have also charged that the project would impact visual quality, as it includes some minor exceptions to the required upper-floor building “stepbacks.” However, the proposed encroachments are minor and will not significantly impact the bulk and scale of the proposed project, which is generally much smaller and provides larger view corridors than required under the PMP.

Other concerns raised by the appellants include impacts to traffic, building orientation, consistency with the public trust doctrine, piecemealing of the approval process, public services, and air quality. Commission staff has reviewed these allegations and determined these impacts have been adequately addressed by the Port District in its approval as amended, consistent with the certified PMP.

SUBSTANTIVE FILE DOCUMENTS: Appeal by Commissioners Kruer and Shallenberger filed 1/31/08; Appeal by Ian Trowbridge filed 1/17/08; Appeal by UNITE-HERE Local 30 filed 1/25/08; Appeal of CDP Amendment by UNITE HERE LOCAL 30 filed October 23, 2008; Port Draft Coastal Development Permit 2008-1; Lane Field Initial Study; Certified San Diego Unified Port District Port Master Plan Amendment.

I. Appellants Contend That: The amended project, as approved by the Port, is inconsistent with the certified PMP with respect to the protection of public access, recreation, visitor-serving facilities, biological resources and water quality, traffic and public services, and visual quality. Thus, they claim that the project is also inconsistent with the policies of Chapter 3 of the Coastal Act.

II. Local Government Action: The coastal development permit was originally approved by the Board of Port Commissioners on January 8, 2008. The permit contains special conditions addressing mitigation measures for public access and recreation, lower-cost visitor accommodations, water quality, noise, energy conservation, and other measures, as described under V. Findings and Declarations. A coastal development permit amendment was approved by the Board of Port Commissions on October 7, 2008 (See Exhibit #5). The amendment incorporated into the approved permit an expanded “Public Access Program” and a new “Multi-Modal Transit Opportunity Promotion Plan,” which are described in detail below.

III. Appeal Procedures: After certification of a Port Master Plan (PMP), the Coastal Act provides for limited appeals to the Coastal Commission of certain port governing body’s actions on coastal development permit applications. The types of appealable projects are outlined in Section 30715 of the Coastal Act.

After the port governing body has taken final action on an appealable project, it must send a notice of that approval to the Commission. Cal. Pub. Res. Code § 30717; 14

C.C.R. § 13641. This notice must indicate how the approved project is “consistent with the certified port master plan and the California Coastal Act.” 14 C.C.R. § 13641(a); Cal. Pub. Res. Code § 30717. Upon proper receipt of a valid notice of appealable development, the Commission establishes an appeal period, which runs for 10 working days. Cal. Pub. Res. Code § 30717; 14 C.C.R. § 13641(b). If an appeal is filed during the appeal period, the effectiveness of the port governing body’s approval of the CDP is suspended until the Commission takes final action on the appeal. 14 C.C.R. § 13641(c). The Commission will process the appeal in the same manner that it processes appeals from local government actions approving CDPs. *Id.*

Section 30625(b)(2) of the Coastal Act requires the Commission to hear an appeal of the sort involved here unless the Commission determines that no substantial issue is raised by the appeal. If the staff recommends “substantial issue” and no Commissioner objects, the Commission may proceed directly to the de novo portion of the hearing on the merits of the project then, or at a later date.

If the staff recommends “no substantial issue” or the Commission decides to hear arguments and vote on the substantial issue question, proponents and opponents will have 3 minutes per side to address whether the appeal raises a substantial issue. It takes a majority of Commissioners present to find that no substantial issue is raised. If substantial issue is found, the Commission will proceed to a full public hearing on the merits of the project either immediately or at a subsequent meeting. If the Commission conducts the de novo portion of the hearing on the permit application, the applicable test for the Commission to consider is whether the proposed development is in conformity with the certified Port Master Plan and the Chapter 3 policies of the Coastal Act.

The only persons qualified to testify before the Commission at the “substantial issue” stage of the appeal process are the applicant, persons who opposed the application before the local government (or their representatives), and the local government. Testimony from other persons must be submitted in writing. At the time of the de novo portion of the hearing, any person may testify.

The term “substantial issue” is not defined in the Coastal Act or its implementing regulations. The Commission's regulations indicate simply that the Commission will hear an appeal unless it “finds that the appeal raises no significant question” (Cal. Code Regs. title. 14 section 13155(b)). In previous decisions on appeals, the Commission has been guided by the following factors:

1. The degree of factual and legal support for the local government's decision that the development is consistent or inconsistent with the certified LCP;
2. The extent and scope of the development as approved or denied by the local government;
3. The significance of the coastal resources affected by the decision;

4. The precedential value of the local government's decision for future interpretations of its LCP; and
5. Whether the appeal raises only local issues, or those of regional or statewide significance.

Even when the Commission chooses not to hear an appeal, appellants nevertheless may obtain judicial review of the local government's coastal permit decision by filing petition for a writ of mandate pursuant to the Code of Civil Procedure, section 1094.5.

In this case, for the reasons discussed further below, the Commission exercises its discretion and determines that the development approved by Port of San Diego does not raise a substantial issue with regard to the appellants' contentions regarding coastal resources.

IV. Staff Recommendation on Substantial Issue.

The staff recommends the Commission adopt the following resolution:

MOTION: *I move that the Commission determine that Appeal No. A-6-PSD-08-004 raises NO substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act.*

STAFF RECOMMENDATION OF NO SUBSTANTIAL ISSUE:

Staff recommends a **YES** vote. Passage of this motion will result in a finding of No Substantial Issue and adoption of the following resolution and findings. If the Commission finds No Substantial Issue, the Commission will not hear the application de novo and the local action will become final and effective. The motion passes only by an affirmative vote by a majority of the Commissioners present.

RESOLUTION TO FIND NO SUBSTANTIAL ISSUE:

The Commission finds that Appeal No. **A-6-PSD-08-004** does not present a substantial issue with respect to the grounds on which the appeal has been filed under § 30603 of the Coastal Act.

V. Findings and Declarations.

1. Project Description/History. The proposed project is redevelopment of an approximately 5.7 acre, 880-space public surface parking lot with two hotels with a total of 800 rooms, approximately 80,000 sq.ft. of retail uses, restaurants, and public plazas, and 1,330 underground parking spaces. The site is located at the northeast corner of Harbor Drive and Broadway Street, directly east of San Diego Bay.

Lane Field North, the parcel north of the prolongation of “C” Street between Pacific Highway and Harbor Drive, will be developed with a 205-foot high hotel, including approximately 275 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms. A 3-story building surrounding the hotel will include approximately 30,000 sq.ft. of visitor-serving retail. The rooftop of that building will include a publicly-accessible terrace activated by outdoor dining and special events areas. The rooftop will be accessible to the public and hotel guests via an elevator located at the street level on Harbor Drive.

Lane Field South, the parcel immediately south of Lane Field North, includes the prolongation of “C” Street and the area between Pacific Highway and Harbor Drive south to Broadway. The site will include a 275-foot high hotel with approximately 525 guest rooms, a health club/spa, pools, ballrooms, and meeting rooms. A 3-story building surrounding the hotel will include approximately 50,000 sq.ft. of visitor-serving retail, and a publicly-accessible terrace accessible by an elevator at Harbor Drive. If found suitable, the material excavated for the underground parking garage will be used to replenish beaches.

On October 7, 2008, the Board of Port Commissioners approved an amendment to the original coastal development permit adopting a new Multimodal Transit Opportunity Promotion Plan and an expanded Public Access Program into the permit. As the project was already before the Commission on appeal, the subsequent amendment made by the Port District is considered part of and incorporated into the subject appeal. In addition to describing proposed employee and guest mass transit incentives and opportunities, the Multimodal Transit Opportunity Plan includes implementation of a public Bayfront shuttle service during the summer for a period of three years, after which time the shuttle could be extended or discontinued through an amendment to the coastal development permit (see Exhibit #7).

The Public Access Program includes a pedestrian access and circulation plan that lays out the various public plazas provided in the development, and requires signage identifying the public areas, and a program that will fund, in partnership with the Port District, construction of a non-profit hostel in the downtown area providing a minimum of 400 beds (see Exhibit #6). If an appropriate site cannot be found within specific time limits outlined in the permit, a mitigation fee of \$30,000 for 25% of the approximately 800 higher cost units constructed (approximately \$6,000,000) will be paid.

The standard of review is the certified San Diego Unified Port District Port Master Plan and the Chapter 3 policies of the Coastal Act.

2. Public Access/Recreation/Visitor-Serving. The appellants assert that the amended project, as approved by the Port, may result in adverse public access and recreation impacts. The following PMP and Coastal Act policies are relevant:

IV. THE PORT DISTRICT, IN RECOGNITION OF THE POSSIBILITY THAT ITS ACTION MAY INADVERTENTLY TEND TO SUBSIDIZE OR ENHANCE CERTAIN OTHER ACTIVITIES, WILL EMPHASIZE THE GENERAL WELFARE OF STATEWIDE CONSIDERATIONS OVER MORE LOCAL ONES AND PUBLIC BENEFITS OVER PRIVATE ONES.

- Develop the multiple purpose use of the tidelands for the benefits of all the people while giving due consideration to the unique problems presented by the area, including several separate cities and unincorporated populated areas, and the facts and circumstances related to the development of tideland and port facilities.
- Foster and encourage the development of commerce, navigation, fisheries and recreation by the expenditure of public moneys for the preservation of lands in their natural state, the reclamation of tidelands, the construction of facilities, and the promotion of its use.
- Encourage non-exclusory uses on tidelands.

VI. THE PORT DISTRICT WILL INTEGRATE THE TIDELANDS INTO A FUNCTIONAL REGIONAL TRANSPORTATION NETWORK

- Encouraging development of improved major rail, water and air systems linking the San Diego region with the rest of the nation.
- Improved automobile linkages, parking programs and facilities, so as to minimize the use of waterfront for parking purposes
- Providing pedestrian linkages
- Encouraging development of non-automobile linkage systems to bridge the gap between pedestrian and major mass systems.

VII. THE PORT DISTRICT WILL REMAIN SENSITIVE TO THE NEEDS, AND COOPERATE WITH ADJACENT COMMUNITIES AND OTHER APPROPRIATE GOVERNMENTAL AGENCIES IN BAY AND TIDELAND DEVELOPMENT.

- The Port District will at all times attempt to relate tidelands to the uplands.
- The Port District will cooperate, when appropriate, with other local governmental agencies in comprehensive studies of existing financing methods and sources which relate to the physical development of the tidelands and adjacent uplands.

Page 17 of the PMP states:

Maximum access to the shoreline is encouraged except where security or public safety factors would negate.

Page 38 of the PMP states:

Circulation and Navigation System

...The provision of adequate access to and circulation within the San Diego Bay area is a key element in the success of economic activities, of the viability of public services and amenities, and the preservation of the area's environmental setting. The various modes of transport must be coordinated not only to the various land and water uses they support, but to each other to avoid incompatibilities, congestion, hazardous movements and unnecessary expenditures.

Applicable Coastal Act policies include the following:

Section 30210

In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30211

Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30212

(a) Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects except where:

(1) it is inconsistent with public safety, military security needs, or the protection of fragile coastal resources,

(2) adequate access exists nearby, or,

[...]

Section 30221

Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Section 30222

The use of private lands suitable for visitor-serving commercial recreational facilities designed to enhance public opportunities for coastal recreation shall have priority over private residential, general industrial, or general commercial development, but not over agriculture or coastal-dependent industry.

Section 30223

Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Section 30250

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. [...]

Section 30252

The location and amount of new development should maintain and enhance public access to the coast by (1) facilitating the provision or extension of transit service, (2) providing commercial facilities within or adjoining residential development or in other areas that will minimize the use of coastal access roads, (3) providing non-automobile circulation within the development, (4) providing adequate parking facilities or providing substitute means of serving the development with public transportation, (5) assuring the potential for public transit for high intensity uses such as high-rise office buildings.

Section 30253

New development shall: [...]

(4) Minimize energy consumption and vehicle miles traveled.

Section 30708

All port-related developments shall be located, designed, and constructed so as to:

- (a) Minimize substantial adverse environmental impacts.
- (b) Minimize potential traffic conflicts between vessels.
- (c) Give highest priority to the use of existing land space within harbors for port purposes, including, but not limited to, navigational facilities, shipping industries, and necessary support and access facilities.
- (d) Provide for other beneficial uses consistent with the public trust, including, but not limited to, recreation and wildlife habitat uses, to the extent feasible.
- (e) Encourage rail service to port areas and multicompany use of facilities.

The existing site is currently an 880-space surface public parking lot. The proposed development would include construction of a 1,300 space underground parking garage including 300 public parking spaces beyond that necessary to serve the proposed hotel and retail development. As a result, the development itself will be fully parked, but there would be 580 fewer public parking spaces available to serve downtown and waterfront visitors. As noted in the above policies, a parking lot is not necessarily the best or most appropriate use of prime waterfront land, but when removing parking and increasing the intensity of development, providing alternative parking programs and facilities is necessary in order to maintain and promote public access to the coast. As such, the appellants content that the proposed project will have adverse impacts on public access, circulation, and public recreation.

In response to these concerns, the developer has proposed a “Multimodal Transit Opportunity Promotion Plan,” which has been incorporated as a condition of the amended coastal development permit, identifying programs that the hotels would be implementing to promote non-automobile transit. Guest services would include a shuttle program with service to and from the airport and other en-route destinations within downtown San Diego, parking spaces reserved for advanced systems low emission vehicles, discounted trolley and bus passes, pedi-cab staging facilities, and shuttle services to and from the Convention Center for guests. Employees would be offered reduced transit fares, reduced parking fees for low emission vehicles, carpooling, and car sharing, and on-site bicycle parking with shower and locker facilities.

In addition to the programs for hotel guests and employees, in consultation with Commission staff, the applicant and the Port District have developed a plan to specifically address the lack of “non-automobile linkage systems to bridge the gap between pedestrian and major mass systems”—namely a downtown shuttle that would serve both hotel guests and the general public to ensure that the continuing major

development projects occurring on the waterfront do not result in traffic congestion which reduces the public's ability to gain access to the shoreline, particularly in the summer.

Unlike many cities along California's shoreline, San Diego does not have any kind of a shuttle service for visitors to the downtown bayfront. There are several transit systems that bring people downtown, but once there, there is currently no easy way to get around and along the waterfront.

In order to address this deficiency in San Diego's transportation system, the Plan requires that the applicant operate a summer shuttle in partnership with the Port daily from June 1 through August 31 for three years or until such time as a regional system is put into place. The shuttle will consist of two or more vehicles available to Lane Field hotel guests and retail visitors and members of the general public. For the first three years of operation, the shuttle will be provided at low cost to all riders.

The proposed route for the daily summer shuttle will include stops along Harbor Drive between Hawthorn and Park Boulevard. The route will begin and end at Lane Field, picking up and dropping passengers off in front of Lane Field South along Harbor Drive on the north bound lane. The shuttle will service the following destinations:

- Lane Field
- Holiday Inn
- County Administration Building
- Grape Street Pier & Maritime Museum
- Anthony's
- B Street Pier
- Hornblower Cruises
- Midway Museum
- The Fish Market
- Seaport Village
- The Hyatt
- The Marriott
- Convention Center
- Hilton Convention Center Hotel
- Gaslamp – 4th & J (Alternate Route)

The permit states that the shuttle system will commence operations in the month of June concurrent with occupancy of the hotels on Lane Field North and South. The Port District has submitted correspondence clarifying that the Coastal Development Permit Special Provision #19 "does not distinguish development of one or both hotels and would be enforced upon occupancy of a hotel: if one hotel is completed first the provision will be enforced upon occupancy of that one hotel; if both hotels are constructed simultaneously then the provision will be enforced upon simultaneous occupancy. The language in the Multimodal Transit Plan is intended to reaffirm this. The intent of the

applicant is to construct one hotel at a time and to provide the shuttle service upon occupancy of the first hotel constructed in accordance with Special Provision #19 of the CDP" (email from Matthew Valerio 10/29/08).

After three years, the applicant will fund a market-feasibility and demand study to assess the impact and effectiveness of the shuttle. At that time, the Port could terminate the shuttle program, but only through approval of a coastal development permit amendment that would be appealable to the Commission.

In the meantime, the applicant has taken the lead in organizing a committee of downtown stakeholders, including local government officials, hotel representatives, transit agency members, and residences to form a shuttle committee to share preliminary concepts, identify key issues, and plan next steps for creating a downtown region shuttle serving a broader area and other clients, including residents and commuters.

Any new development downtown will put additional stresses on the surrounding circulation system. However, as noted, the downtown region is well served with mass transit (buses, trolleys, trains) that will help get people to the proposed hotel. Lane Field is located immediately adjacent to multiple transit connections and services that are within easy walking distance of the site. Thus, concentrating dense development at this site is consistent with the Coastal Act. The proposed public downtown shuttle system will offset the additional impact the development will have on public access and circulation and significantly improve the ability of visitors and residents to access the waterfront during the peak summer season.

The appellants further claim that the project will have adverse impacts on public access because "(1) the Transit Plan is a generalized and vague plan that fails to ensure mitigation of impacts to public access, (2) the Amended CDP, Public Access Plan, and Transit Plan fail to ensure mitigation of public parking during construction and operation of the Project."

However, the Multimodal Transit Opportunity Promotion Plan approved by the Port District is quite extensive and specific. It describes specific measures that the applicant must implement to maximize use of transit and minimize vehicular reliance, including discounted trolley and bus passes for guests and employees, pedicab staging facilities, convention center shuttles, incentives for employee carpooling, bicycle parking and shower and locker facilities for employees bicycling to work. The Plan identifies when the shuttle must begin operations, what days, for how long, a specific route, and that the service will be low cost. Contrary to the appellants' assertion, the responsibility for implementation and operation of the public downtown shuttle and the other transportation demand measures rest entirely on the applicant, not the Port District, and are mandatory requirements of the coastal development permit. The applicant has already begun spearheading creation of a regional downtown shuttle committee.

The appellants correctly state that if the Port finds the shuttle infeasible after three years of operation, it may be terminated through a permit amendment. Prior to approval of any

such amendment, the Board of Port Commissioners must evaluate the required market-feasibility and demand study to determine whether operation of the shuttle system achieves on its face the goals of reducing traffic congestion during summer months and existing and projected usage and demand for a bayfront shuttle as currently programmed. The Commission will have an opportunity to evaluate these same issues, and appeal the permit if there are any questions about the value or effectiveness of the shuttle. In the meantime, the downtown shuttle committee, including Commission staff, will continue to work on establishing a more extensive shuttle with a broader focus that could supersede the proposed bayfront shuttle

The appellants contend that the proposed project will adversely impact public access and recreation because the existing public parking spaces on Lane Field will not be available during construction of the project, which is anticipated to take as long as several years. This issue was raised by UNITE HERE in their appeal of the amended permit, not the original Lane Field permit. The subject of permit amendment was only the expanded public access plan (specifically, the new hostel program) and the expanded transportation plan (specifically, the new shuttle program). The shuttle and hostel program, which will not occur until after construction is complete, have no relation to any potential impacts that might occur during construction. Thus, since the appellants did not raise this issue during the appeal period for the original permit, this claim is not properly before the Commission.

Nevertheless, the Commission finds that the temporary impacts during construction will not be a significant adverse impact to public access or recreation. Development of Lane Field was approved in concept by the Commission in March 2001 as part of the North Embarcadero Port Master Plan Amendment (PMPA #27). This amendment included adoption of a Parking Management & Monitoring Program for the North Embarcadero to address the potential parking demand and impacts to traffic and circulation through requiring the construction of additional surface parking lots and alternatives to on-site parking, including the promotion of mass transit and planning for shuttle stops in the area.

It is likely that the availability of public parking will be reduced during construction. However, this kind of short-term impact was anticipated during build-out of the North Embarcadero, and overall, the Parking Management & Program for the area, and for Lane Field specifically is expected to improve parking and access opportunities in and around the site. The downtown area is fully built out, and there is no feasible way the applicant could provide temporary replacement public parking elsewhere during construction. The long-term, permanent benefits of the development are expected to outweigh and mitigate the short-term construction impacts to public access and recreation.

In summary, the project will significantly increasing the density and intensity of use along the waterfront, but in conjunction with providing significant offsetting benefits to public access, consistent with the certified Port Master Plan. Connectivity or linkage to offsite public parking reservoirs within and adjacent to Port tidelands will be provided

through the proposed public downtown shuttle system serving the waterfront, which will distribute public use of Port tidelands, consistent with Section 30212.5 of the Coastal Act. The Multimodal Transit Opportunity Promotion Plan is specific and mandatory, and no adverse impacts to public access or circulation will occur. Therefore, no substantial issue exists with respect to the consistency of the proposed project with the Port's certified Port Master Plan and public access policies of the Coastal Act.

3. Public Access/Lower-Cost Visitor-serving Commercial. In addition to the above listed Port and Coastal Act policies encouraging non-exclusory uses on Port tidelands and increased public access, the Port Master Plan also includes the following policy:

Development and Conservation Strategy

The basic direction of development and conservation efforts in the coastal zone is, where feasible, to protect, maintain, enhance, and restore the overall quality of the man-made and natural coastal zone environment. Port development seeks to minimize substantial adverse environmental impacts; minimize potential traffic conflicts between vessels in the port; give highest priority to the use of existing land space within harbors for port purposes; and provide for a full array of beneficial activities including recreation and wildlife habitat uses. A balanced approach also takes into account the social and economic needs of the people of the State.

The following Coastal Act policy is also relevant:

Section 30213

Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred.

A detailed "Lane Field Public Access Program" has been developed as a condition of the permit that lays out the public access corridors, plazas, viewing terraces and other features that will be provided throughout the development, the required public access signage and hours of operation for the public areas. As proposed, this plan will ensure that public access and recreational opportunities are available in association with the hotel and retail uses, which are themselves high-priority visitor-serving uses.

However, the appellants contend that the project, as approved by the Port, is inconsistent with the certified PMP, as cited above, in that approval would consist entirely of high-end luxury hotel rooms, thus encouraging exclusory uses on tidelands. The room rate at the proposed hotels is expected to be in the high \$200 per night range.

When exclusive visitor accommodations are located on the waterfront, they occupy area that would otherwise be available for lower cost visitor and public recreational facilities. The problem with exclusivity of shoreline accommodations is become increasingly acute throughout California. The particular distinction in the subject case is that the site is

publicly owned land held in trust by the Port District. The Port District therefore has the ability to ensure the provision of lower-cost overnight facilities in a way that is much more difficult for the Commission or local governments to accomplish when regulating development of privately owned land. Lower-cost overnight facilities can and should be provided and encouraged along San Diego Bay, consistent with the policies of the Coastal Act. However, at this time, there are no lower-cost motels, campgrounds, or youth hostels on Port tidelands. Even transient boat mooring rates in San Diego Bay have increased substantially in recent years.

There is a place for higher-end facilities in the Port District, but it should be as one component of a wide range of overnight accommodations available to serve all segments of the population, to ensure the shoreline is available to everyone. This concept is referenced in the PMP policy that requires a balanced approach to development that “takes into account the social and economic needs of the people of the State.”

Recognizing that the proposed project does not provide such facilities and in response to these policies, in consultation with Commission staff, the applicant and the Port District have developed an innovative program to fund and construct a new non-profit hostel in the downtown region.

As proposed by the applicant and approved by the Board of Port Commissioners as part of the required public access program, the applicant will work with the Port District to design and construct a non-profit hostel on Port controlled land, funding half of the construction costs. The hostel operator would have to provide a matching grant for the rest of the construction costs, and the land value of the hostel site would be the Port’s contribution to the project.

The minimum number of lower cost units proposed to be constructed was derived from the Commission's past practice of requiring a mitigation fee based on a percentage of the number of high-cost hotel units being constructed. Although the Commission prefers the actual provision of lower-cost accommodations in conjunction with projects, where necessary, the Commission has used in-lieu fees to provide lower-cost opportunities. For example, for Oceanside LCPA #1-07 (Downtown District), the Commission approved a requirement that a fee be paid per hotel room for 25% of the total quantity of proposed new units that are not lower cost. The subject development is for 800 hotel rooms, thus, the Commission would typically require that a mitigation fee be assessed for 25% (200) of the rooms, to offset the cost of constructing new lower cost accommodations.

However, hostels often have varying room sizes than can accommodate different numbers of people. So rather than assume that construction of 200 lower-cost units would be the most appropriate amount of mitigation, the applicant has proposed constructing a hostel with a minimum of 400 beds (200 hotel rooms would typically have 400 beds). The applicant has indicated that approximately 130 hostel rooms would accommodate 400 beds.

The plan acknowledges that developing a new hostel will take several years to implement, requiring a development program, a suitable site, entitlements under CEQA and the Port Master Plan, and design and construction. However, a strict timetable for meeting particular project goals is included in the plan. For example, prior to issuance of the coastal development permit, the applicant must enter into a memorandum of understanding or other legal arrangement with a qualified nonprofit hostel operator establishing the requirements and responsibilities contained in the Public Access Plan.

Within twelve months from issuance of the coastal development permit for the project, the applicant must identify one or more sites in conjunction with the Port and the hostel operator and complete an appropriate site feasibility analysis. Within six (6) months from completion of Task #1, the applicant must negotiate an agreement with the Port to establish a development program and an entitlement process for an approximately 133 unit hostel. And so on, until construction of a hostel commences.

If the milestones are not met on time, the Port must notify the Executive Director, and the Executive Director may at that time require the applicant to pay a fee in lieu of construction, consisting of \$30,000 for 25% of the units being, having been and to be constructed on Lane Field (\$6,000,000 total). The Commission required a similar in-lieu fee for the conversion of a 130-unit hotel (not yet constructed) located on the bluffs in Encinitas to a 100-unit condo-hotel, with 30 units required to remain as traditional hotel units (6-92-203-A4/KSL), and for the Surfer's Point Resort development in Encinitas (#A-6-ENC-07-51). The \$30,000 fee amount was established based on figures provided to the Commission by San Diego Hostelling International USA (Hostelling International is a non-profit organization with more than 4,000 hostels in over 60 countries, including two in San Diego), in an October 26, 2007 letter. The figures provided by HI are based on two models for a 100-bed, 15,000 sq. ft. hostel facility in the Coastal Zone.

To ensure that mitigation funds would be available in the event the hostel program is not executed, prior to execution of the lease with the Port District, a bond or other financial instrument acceptable to the Port must be executed to ensure the fee amount, including any interest that would have accrued since issuance of the Coastal Development Permit, is paid.

If the hostel planning and design milestones are not met on time, the Executive Director also has the option of granting a time extension. The applicant could also apply for an amendment for a revised affordable accommodations proposal, which would be appealable to the Commission. Thus, in all cases, the Commission can be assured that a hostel will be built, a mitigation fee will be paid, or they will have the opportunity to review a revised proposal to ensure all impacts are fully mitigated.

The proposed plan is expected to establish an on-going program and mechanism for the development of lower-cost units that future high-end development projects on Port Tideland will be able to participate in. If the appraised value of the hostel exceeds the Coastal Commission's typical fee of \$30,000 for 25% of higher cost units constructed, any excess value can be credited to a Port "bank" to be applied to future Port projects.

Those projects could pay an additional mitigation fee to offset the remaining impacts, or develop a similar program to establish low-cost overnight accommodations.

The appellants contend that the project does not adequately mitigate impacts to lower cost recreational facilities because the hostel program will take several years to implement, and a suitable site has not yet been identified or approved. However, as described above, the program approved by the Port includes a strict and fairly aggressive timetable for meeting planning and design milestones. The milestones are specific and mandatory, and if not met, alternate mitigation must be provided.

The applicants correctly note that planning and construction of a hostel could take until several years after completion of the Lane Field project. This is not, however, atypical for projects where the Commission has imposed requirements to provide fees in lieu of providing lower cost accommodations. In past projects, the Commission has required mitigation fees to be used for land acquisition, construction and/or to subsidize the provision of an as-of-yet unidentified lower cost visitor-serving accommodations within a high-cost facility or off-site in the project vicinity. While these requirements are a very good first step towards mitigating the impacts of high-cost accommodations, in-lieu fees also do not result in the immediate creation of lower-cost facilities, but are pooled for future development opportunities. In contrast, the proposed project, with its built-in, specific milestones, is very likely to result in construction of an actual facility far sooner than payment of an in-lieu fee would. Thus, although there may be some delay in construction of the hostel, this delay does not raise a substantial issue with respect to conformance with the PMP or Chapter 3 of the Coastal Act.

In summary, the Port has thoroughly addressed the development's conformity with PMP standards regarding exclusory uses with regard to the provision of lower-cost visitor-serving overnight accommodations. Therefore, the Commission finds that no substantial issue exists with respect to the consistency of the project with the Port's certified Port Master Plan.

4. Protection of Sensitive Biological Resources/Water Quality. Relevant PMP policies include the following:

VIII. THE PORT DISTRICT WILL ENHANCE AND MAINTAIN THE BAY AND TIDELANDS AS AN ATTRACTIVE PHYSICAL AND BIOLOGICAL ENTITY.

- Establish guidelines and standards facilitating the retention and development of an aesthetically pleasing tideland environment free of noxious odors, excessive noise, and hazards to the health and welfare of the people of California.

X. THE QUALITY OF WATER IN SAN DIEGO BAY WILL BE MAINTAINED AT SUCH A LEVEL AS WILL PERMIT HUMAN WATER CONTACT ACTIVITIES.

- Insure through lease agreements that Port District tenants do not contribute to water pollution.
- Cooperate with the Regional Water Quality Control Board, the County Health Department, and other public agencies in a continual program of monitoring water quality and identifying source of any pollutant.
- Adopt ordinances, and take other legal and remedial action to eliminate sources of pollution.

XI. THE PORT DISTRICT WILL PROTECT, PRESERVE, AND ENHANCE NATURAL RESOURCES, INCLUDING NATURAL PLANT AND ANIMAL LIFE IN THE BAY AS A DESIRABLE AMENITY, AN ECOLOGICAL NECESSITY, AND A VALUABLE AND USABLE RESOURCE.

Relevant Coastal Act policies include the following:

Section 30230

Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes

Section 30231

The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.

Section 30240(b)

(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.

The appellants contend that the project will have adverse impacts on the biological productivity and the quality of coastal waters because there are contaminated soils on the

project site including significant pesticide contamination and petroleum hydrocarbons, among other contaminants. The appellants contend that construction activities will release these contaminants into the adjacent San Diego Bay harming fish and birdlife, and human health and welfare.

The Lane Field site is fully developed and does not contain any sensitive habitat. However, it is adjacent to San Diego Bay, and runoff or contaminated groundwater from the site could harm natural plant or animal life in the bay if not properly addressed. The project includes detailed construction BMPs, site design BMPs, source control (e.g., trash control, efficient irrigation) BMPs, and treatment control BMPs designed to address the potential runoff from the site. In addition, the site cleanup and construction activities will be closely regulated by both state and local agencies. In particular, the staff of the San Diego Regional Water Quality Control Board (RWQCB) have communicated to the Port that the RWQCB will be providing regulatory oversight of the environmental investigations and any cleanup activities required at the former Lane Field site due to the proximity of the site to the Bay.

For this project, the Coastal Commission's water quality staff reviewed the Lane Field draft Water Quality Technical Report (March and October 2008), the draft Storm Water Pollution Prevention Plan (March 7, 2008), a Preliminary Drainage Report (March 2008), a letter report on Additional Phase II Environmental Site Assessment Services (February 15, 2007), the Supplemental Phase II Environmental Site Assessment – Groundwater Assessment Addendum (November 2, 2007), letters from Adams Broadwell Joseph & Cardozo (January 7, January 23, and October 22, 2008), a letter from SWAPE consultants (December 28, 2007), and the draft Coastal Development Permit dated October 24, 2008.

The Lane Field site exhibits soil contaminants related to the former commercial and industrial uses of the property. There are residual contaminants in the soil from past uses of the site including parking, dry cleaning, transportation, and manufacturing. The environmental site assessment included appropriate sampling techniques, sample densities and follow up sampling. The project description includes actions to remove and properly dispose of the known contaminated soils. It also specifies additional sampling and analysis if more contamination is found during the excavation process.

If the project adheres to the project description and follows the clean up requirements of the San Diego Regional Water Quality Control Board (RWQCB) and the City of San Diego (City), then there will be little chance that residual contamination will have adverse impacts on human health and the environment, including the marine resources of San Diego Bay. The project will be subject to the requirements of both the statewide Construction Storm water Permit (Construction General Permit 99-08-DWQ) and the San Diego Municipal Storm Water Permit (R9-2007-0001). Using the requirements of the construction and municipal stormwater permits, staff of the City and SDRWQCB will be able to oversee the proper application and maintenance of Best Management Practices (BMPs) to ensure that little or none of these pre-existing soil contaminants will be transported from the site to San Diego Bay. It will be important that the construction be

adequately supervised by regulatory personnel to assure compliance with the permit conditions.

The proposed development will decrease the impervious surfaces at the site by a few percent, but since more than 50% of the existing impervious surfaces will be replaced, this project is required to develop a Water Quality Technical Report (WQTR) that describes how the project will treat or eliminate dry weather runoff and, at a minimum, treat the storm water runoff generated by the 85th percentile storm event using site design, source control and treatment control BMPs. After construction, the project site may still generate pollutants typical of urban land use, but with appropriate application of source control and treatment control BMPs, the levels of pollutants generated and impacts on coastal resources will be minimized or eliminated.

The draft WQTR specifies that the project will include the following site design BMPs: increased building density (multi-story building), minimized width of streets and sidewalks (while still addressing public safety and maintaining a “walkable environment”), minimized directly connected impermeable surfaces and use of native and drought-tolerant species in landscaping. Source control BMPs specified include an efficient irrigation system, use of pest-resistant native plants, use of only professional pest controllers, provision of Integrated Pest Management (IPM) educational materials to maintenance personnel and employees, storm drain stenciling, and covered parking that will be cleaned using dry methods (i.e., no runoff generated). In addition, all kitchen discharge pipes will be equipped with grease interceptors and pool maintenance will be conducted by certified pool maintenance crews. Project specific BMPs listed in the WQTR include: cleaning the drive way with dry methods (sweeping and vacuuming), loading docks designed to preclude run-on and runoff, any vehicle or equipment cleaning to be completed on-site will be done within the building or in a area that discharges to a biofiltration treatment control BMP and all mop water will be discharged to the sanitary sewer.

The WQTR also makes recommendations for Treatment Control (TC) BMPs that are appropriate and feasible for this project, only recommending BMPs that have medium to high efficiency for removing the expected target pollutants to be generated by the completed project. The WQTR indicates the expected pollutants that may be generated by this project are as follows: bacteria and viruses, heavy metals, sediment, organic compounds, pesticides and trash and debris. The WQTR indicates that since pesticides and bacteria since are not effectively removed by most TC BMPs that the project will depend on extensive source control BMPs as the primary method to address those pollutants. The project description states that post-construction TC BMPs will be designed to treat storm water runoff up to, and including, the 85th percentile storm event.

The WQTR indicates that the following TC BMPs are feasible for this project: bioretention, flow-through planter boxes (e.g., in a roof garden), modular wetlands, a proprietary filtration system, downspout filters, catch basin inserts and trench drain inserts. For the buildings, the WQTR recommends that pollutants from roofing materials and air deposition be addressed by flow-through planter boxes as part of a Garden Roof.

Rain barrels are also recommended as a method to mitigate increases in peak flow due to the development. Pollutants from the courtyard will include air deposition and litter and the WQTR recommends regular sweeping and vacuuming to address those pollutants. Runoff from the courtyard will be directed to inlet catch basins or a constructed wetland. The WQTR specifies that all spills and leaks will be addressed in a timely manner and any non-storm water that collects in the parking garage will be sent to the sanitary sewer.

As proposed by the applicant and approved by the Board of Port Commissioners, the project will capture and treat about 95% of the site storm water. It has been reported by the appellants that a small portion of storm water (about 5.5%) will drain to the bay without passing through treatment devices or the City's Municipal Separate Storm Sewer System (MS4). The appellants contend that this constitutes a "direct discharge" into a portion of the bay that is impaired by sediment toxicity and other pollutants and requires additional efforts to reduce impacts to the bay. The appellants also contend that the applicant fails to document this direct discharge in the SWPPP and provide for specific monitoring associated with this small portion of site runoff.

The final SWPPP and final monitoring program are usually submitted by the remediation and/or construction contractor shortly before construction begins. The RWQCB can require additional monitoring to address any construction-related discharges that may impact water quality. Coastal Commission water quality and Regional Board staff agree that surface flow from the project traveling at least 200 feet over roads and parking lots would not be considered a direct discharge to the bay. While the RWQCB and the Coastal Commission require that the volume runoff from at least the 85th percentile storm event be addressed by site design, source control and/or treatment control BMPs, neither agency requires that all runoff from a site be directed to a treatment control BMP. In this case the use of treatment control BMPs for 95% of the runoff, in combination with the site-wide use of source controls exceed the minimum requirements for stormwater and dry weather runoff management.

The appellants contend that the small portion of runoff that may leave the site without treatment will directly discharge to an area of the bay where high levels of contaminated sediments have been identified by the RWQCB and State Water Resources Control Board. This so-called toxic hotspot is identified as the "B Street/Broadway Piers" hotspot and has been characterized by the RWQCB as exhibiting benthic community degradation, and elevated concentrations of polycyclic aromatic hydrocarbons (PAHs), copper, chlordane, and total chemistry. It was listed on the Clean Water Act 303(d) list for water quality impairments with respect to benthic community effects, indicator bacteria and sediment toxicity.

While it is important to look for opportunities to remediate toxic hotspots and to ensure that new developments do not increase exposure of existing hotspots, the Lane Field project, as proposed, is very unlikely to exacerbate the existing sediment toxicity issues at this hotspot. In contrast, the replacement of former industrial and commercial uses of the site, removal of the more contaminated surface soils and covering the remaining soils with buildings will greatly reduce the likelihood of discharges of the contaminants listed

above. And the vast majority of urban runoff generated by the development will be treated with BMPs having medium to high removal efficiency for pollutants that are expected to be generated by the new land use.

The appellants cite a letter sent by RWQCB staff to the Port on September 16, 2008 indicating that “the site may pose a threat to water quality due to 1) the proximity of the site to San Diego Bay and 2) the potential transport mechanisms associated with the proposed redevelopment of the site (e.g., storm water runoff and dust). This type of letter is used by the RWQCB staff to notify project developers that their project may cause adverse water quality impacts unless the project implements appropriate controls on soils, groundwater and runoff. The letter gives notice to the property owner that the RWQCB staff expects to provide close “regulatory oversight of the environmental investigations and any cleanup activities required” and is generally followed up with an agreement that describes the RWQCB oversight and the responsibilities of the developer.

The appellants contend that the Amended CDP fails “to analyze and mitigate the potential for contaminated groundwater to flow to the bay...” Commission water quality staff have concluded that the environmental site assessment has been adequate to proceed with the permitting process and that the Amended CDP, as approved by the Port, commits the developer to continue site investigation or expand site remediation if additional contamination is found during soil excavation. Decisions about the need for additional work will be made under the oversight of state and local regulators tasked with protecting water quality, human health and the environment.

This project will remove most of the shallow soil contamination at the site through excavation for building foundations and subterranean parking. Although some residual soil contamination may remain (as with most soil and groundwater cleanup projects), this will be done with oversight of state and local regulators and only if the risk to human health and the environment has been reduced to legally acceptable levels. Special Provisions 6 through 17 of the draft Coastal Development Permit (Exhibit #5) commits the Port to complete soil cleanup at the site and Special Provision 6 specifically commits the Port to complete a risk assessment of any hazardous materials remaining at the site. In any case, the levels and potential exposure of contaminants at the site will be greatly reduced by the development project, reducing potential ongoing impacts to groundwater. In addition, the distance that groundwater must move from the contaminated soil locations to the bay is 200 feet or more. Although there are some groundwater levels exceeding drinking water levels near the contaminated soils, these pollutants levels are likely to be much lower after passing through at least 200 feet of soil before discharging to the bay. If the groundwater does migrate to the bay, the appropriate standards would be aquatic life standards, not drinking water standards.

The appellants contend that the project does not adequately address residual pesticides at the site and that the project Storm Water Pollution Prevention Plan should include sampling for these pesticides. The site has been sampled for pesticides in both soil and groundwater during the Environmental Site Assessment and the levels of pesticides were at levels commonly seen in soils from commercial/industrial properties.

The Additional Phase II Environmental Site Assessment Services report (Kleinfelder, February 16, 2007) reported on 66 soil samples at depths of one to 20 feet below ground surface. None of these recent samples had levels of organochlorine pesticides (OCPs) exceeding laboratory reporting limits. In the past some soil samples have detected OCPs in shallow soils near the former dry cleaning site, but these findings were not repeated in the recent site-wide study. In any case, the shallow soils most likely to hold OCPs will be removed during the site remediation activities.

The appellants point out that the project will include on the order of 115,000 cubic yards of soil excavation, extensive trenching and associated dewatering may be required to investigate the potential presence of an active fault beneath the proposed development site. They contend that the project requires further site investigation, a site cleanup plan, a site specific soil management plan and a site health and safety plan prior to completing the public review process.

These types of documents are typically completed during various stages of the site cleanup process after a contractor specializing in site remediation has been hired. Documents such as the site investigation and site cleanup plan can be expanded as additional soil and groundwater information is gathered during the remediation process. The adequacy of these documents prior to and during remediation is reviewed by site cleanup specialists at state and local agencies (e.g., the RWQCB).

In summary, the appellants contend that the project will have adverse impacts on the biological productivity and the quality of coastal waters because there are contaminated soils on the project site including significant pesticide contamination and petroleum hydrocarbons, among other contaminants. The appellants contend that construction activities will release these contaminants into the adjacent San Diego Bay harming fish and birdlife, and human health and welfare.

As described above, the Coastal Commission's water quality staff has reviewed the site investigation reports and plans for water quality plans for the Lane Field site. The project plans includes a system of construction BMPs, site design BMPs, source control BMPs, and treatment control BMPs that will adequately protect the aquatic organisms and bay resources from expected storm water runoff and dry weather runoff. In addition, the site cleanup and construction activities will be closely regulated by both state and local agencies. In particular, the staff of the San Diego Regional Water Quality Control Board (RWQCB) have communicated to the Port that the RWQCB will be providing regulatory oversight of the environmental investigations and any cleanup activities required at the former Lane Field site due to the proximity of the site to the Bay. Therefore, the Commission finds that no substantial issue exists with respect to the consistency of the project with the Port's certified Port Master Plan.

5. Visual Quality. Relevant PMP policies include the following:

- Views should be enhanced through view corridors, the preservation of panoramas, accentuation of vistas, and shielding of the incongruous and inconsistent.

Civic Zone

[...]

The most important element in this zone is the conversion of the old Lane Field site and Navy Engineering building into a new complex of buildings and open spaces. Primary consideration is a 600-to-800-room hotel. The intent of the plan is to retain flexibility for considering a wide array of development options. The concept includes possible multiple utilization of activities that could provide for commercial recreation; international trade, travel and cultural complexes; commercial and office space for maritime business; support facilities related to the Port; and subject to negotiation with the U.S. Navy, the provision of equal or better building space for the relocation of the Naval Facilities Engineering Command. The FAR for Lane Field parcel is 7.0 and 6.5, while building height limits range from 400 feet to 200 feet sloping toward the Bay. Special setback requirements along the Broadway side of this parcel range from 55 feet to 65 feet, widening toward the Bay (See Figure 4.7 of the Visionary Plan, which also illustrates the special radius setback on North Harbor Drive/ Broadway SW corner). Stepbacks for upper stories are 25-foot minimum at 50-foot building height except for the B Street side of the parcel and on other east-west streets where they are 15 feet. There are no stepback requirements along Pacific Highway. (See Visionary Plan Figures 4.5, 4.6, 4.7 and 4.8.)

Coastal Act policies include:

Section 30251

The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas....

The appellants contend that the project is inconsistent with the certified PMP because the proposed project is not consistent with the required stepbacks, and thus would impact visual quality. Specifically, the Initial Study for the project states:

There are two minor intrusions into the stepback area. On the Lane Field South hotel, a portion of the proposed spa and restaurant/bar intrudes approximately 15 feet into the 25-foot setback on the 50-foot podium level along the C Street frontage.

This is proposed to be a glass, partially transparent feature. Both hotels propose to provide public realm elevator access to the podium roof levels from the Harbor Drive sidewalk. The elevator penthouses would consist of an approximately 100 square foot approximately 20 foot tall structure. This structure would be mostly transparent and located within the 25-foot setback on the 50-foot podium level. The elevators would be visible features located on the outside of each building to insure that the public is aware that the elevators are available for public uses. It is necessary to locate the penthouse in the setback to accommodate this location.

As cited above, the Port Master Plan requires ground level setbacks along the Broadway side of Lane Field, and on North Harbor Drive. The proposed project is consistent with all required setbacks.

The PMP also requires stepbacks, which are building setbacks for the upper floors intended to reduce bulk and scale, and preserve view corridors. The PMP requirements for stepbacks for upper stories are 25-feet minimum at 50-foot building height except for east-west streets, where they are 15 feet. There are no stepback requirements along Pacific Highway. Thus, the PMP requires a 15 foot stepback on C Street at a height of 50 feet. As approved by the Port, a portion of the proposed project consisting of a single story spa at the fifth floor of the Lane Field South hotel and an emergency stairwell adjacent to the restaurant/bar would provide only a 10-foot setback on the C Street frontage.

The above-quoted description from the Initial Study of a 15-foot intrusion in the 25-foot stepback on the 50-foot podium level is a reference to the North Embarcadero Visionary Plan (NEVP) requirements. The NEVP has additional setback and stepback requirement for the area, some of which are stricter than the PMP requirements, but the NEVP also allows various minor exceptions to the standards. In any case, the NEVP is used by the Port for guidance, and is not part of the certified Port Master Plan, and is not the standard of review.

Thus, as proposed, a very small portion of the project would provide only a 10-foot stepback (5 stories up), where the PMP specifies a 15-foot stepback is required. However, the proposed intrusion is fairly minor. The single-story spa located on the southeast corner of C Street and Pacific Highway steps back 10 feet from the C street building face at the 50 foot level and extends 85 feet to the west. The emergency stairwell, also a single story structure, is located west of the spa, and is 60 feet across. At a height of 50 feet, in a structure 275 feet high, the proposed structure will not represent a significant increase in bulk and scale beyond that envisioned in the PMP (see Exhibit #11). The exhibit demonstrates that the project overall will be far smaller than would have been allowed under the PMP standards.

Nor will the project adversely impact views along the C Street corridor. The project proposes construction of a publicly accessible plaza and accessway along the extension of C Street, which will separate the two hotel towers and retail development and will create a significant new physical and visual linkage to the bay. However, the extension

of C Street is not identified as a view or access corridor in the PMP. The two towers will be set 250 feet apart, and the 5-foot intrusion into the setback at 50 feet in height will not adversely impact public views, and is consistent with the stated intent of the PMP to retain flexibility for considering a wide array of development options on the site.

The proposed project also includes two glass elevators on North Harbor Drive that will be open to the public to access the podium building public terraces. These elevators are within the required ground-level setbacks, but would encroach 9 feet into the required 25 foot setback at 50 feet in height. However, elevators are narrow columns not typically considered "upper stories" subject to setback requirements. The elevators could be removed from the project, which would preserve the full 25 foot setback. However, the proposed elevators will substantially improve public access to the proposed viewing terraces. Part of the purpose of setbacks is to ensure development has a pedestrian orientation, and the elevators will draw pedestrians to and into the structure by being visible and on the street level, accessible to the public without having to go into the hotel building itself. The minor intrusion in the setback at 50 feet in height for glass elevators for public use is not expected to have any significant adverse visual impact, and is consistent with the intent of the PMP to provide and expand public access to the structure.

The PMP allows development at Lane Field at height limits ranging from 400 feet to 200 feet sloping towards the bay. The proposed towers will be 275 feet high (South Tower) and 200 feet high (North Tower), down to 50 feet along Harbor Drive. The development overall will be significantly smaller in bulk and scale than the maximum permitted in the PMP, with public plazas through the center of the site, and along the southern edge of the site adjacent to Broadway Street. No adverse impacts to visual quality are anticipated.

Thus, the Commission finds that no substantial issue exists with respect to the consistency of the project with the Port's certified Port Master Plan.

6. Traffic, Building Orientation; Consistency with the Public Trust Doctrine; Piecemealing of Approval Process; Public Services; Air Quality; Climate Change.

The appellants contend that the Lane Field project, when combined with future office development of the adjacent lot at 1220 Pacific Highway, will have a new substantial adverse impact on traffic not previously anticipated in the PMP. However, the Port has specifically stated that "the cited office space is not planned or contemplated on 1220 nor would such a development be consistent with the description provided in the Master EIR." Thus, this contention does not raise a substantial issue of consistency with the PMP. As discussed in detail above, the increase in intensity of use at the site will result in additional traffic and congestion from the proposed project. The Port has provided adequate measures to mitigate and offset the potential effect of this increase in intensity of use on general public access to the shoreline.

The appellants contend that the orientation of the proposed buildings is not consistent with the North Embarcadero Visionary Plan (NEVP). However, the NEVP is not part of

the certified PMP, although certain specific policies and goals of the NEVP have been incorporated in the PMP. Consistency with the NEVP is not the standard of review for appeals, and the certified PMP does not contain standards or policies regarding the orientation of the buildings or other policies that conflict with the orientation of the buildings as proposed. In any case, as noted above, the project is consistent with the visual protection policies of the PMP, and is not expected to have any adverse visual impact that could be mitigated by altering the orientation of the buildings.

The appellants claim the proposed uses on the site may not be consistent with the Public Trust Doctrine, because the Port does not yet have detailed plans for the project's retail space. The site is designated for Commercial Recreation uses in the certified PMP. The proposed hotel and retail uses are consistent with this designation, and are consistent with the existing uses throughout Port tidelands. A question was raised during the local review process regarding the spa facilities associated with the proposed hotels. A stand-alone gym or spa facility could potentially raise concerns regarding permitted uses on public trust lands, but the proposed spas would be integrated with the hotels as a typical amenity found in many higher-end hotels on Port tidelands. There is no evidence that any of the proposed uses on the site are inconsistent with the allowed uses per the PMP or the Public Trust Doctrine.

The appellants contend that the environmental analysis of the Lane Field project was improperly piecemealed. The standard of review for the appeal is consistency with the Port Master Plan and the Chapter 3 policies of the Coastal Act. Any deficiencies which may have occurred in the environmental review process are not grounds for whether the appeal raises a substantial issue.

The appellants claim the proposed uses will have a substantial adverse impact on public services, contrary to the PMP policy directing the Port to “[c]urb the misuse of land so that it will not injuriously affect the people of the State of California through the prevention of substandard construction or unnecessarily add inappropriate developments.” The appellants contend inadequate fire protection and water supply will be available on the site. However, the environmental documents prepared for the project did not identify any deficiencies in public services for the site. The subject site is a downtown location surrounded by extremely high density, intense development. Concentrating development in existing developed areas is an appropriate use of land and public services, and there is no evidence that the project would injuriously affect the people of the State of California.

The appellants contend that the project may have substantial unmitigated adverse impacts on air quality, inconsistent with the PMP policy that “[p]ort development seeks to minimize substantial adverse environmental impacts.” However, the environmental documents prepared for the project did not identify any unmitigatable air quality impacts. Mitigation measures required in the North Embarcadero Visionary Plan/North Embarcadero Redevelopment Port Master Plan Amendment EIR require air quality mitigation measures during construction and transportation demand management measures for high-occupancy events at the hotel. As proposed, the project seeks to

minimize substantial adverse air quality impacts; therefore, this contention does not appear to raise a substantial issue.

The appellants contend that the project may have substantial impacts on climate change from greenhouse gas emissions from heating, transportation fuels, and energy generation demands associated with the project, and thus does not meet PMP requirements to “administer the tidelands so as to provide the greatest economic, social and aesthetic benefits to present and future generations.” While any new development is likely to result in some increased energy demand and fuel usage, the proposed development includes a plan to incorporate environmentally sustainable initiatives into the project. The initiatives include meeting the requirements of LEED (Leadership in Energy and Environmental Design) Silver Certification, construction waste management, the use of renewable energy generation, high efficiency heating design, water use reduction, and so forth. As proposed, the project does not appear to raise a substantial issue of consistency with the cited PMP requirements.

7. Conclusion. In conclusion, the amended project as approved by the Port would significantly increase the density and intensity of use along the waterfront. However, the downtown urban setting has the infrastructure and mass transit linkages appropriate to serve the high-density visitor-serving hotel and retail uses proposed on the site. Mitigation for impacts to public access and circulation will be provided in the form of a Multimodal Transit Opportunity Promotion Plan” that includes implementation of a public downtown shuttle service to maintain access to and around the shoreline. The project also includes the construction of 800 luxury hotel rooms, but has proposed mitigation to address this concern to include development and funding of a program to construct a non-profit hostel in the downtown area. No impacts to water quality or public views will occur. Therefore the project does not raise a substantial issue regarding consistency with the Port Master Plan.

Therefore, the Commission finds that the allegations made by the appellants do not raise a substantial issue with regard to the project’s consistency with the certified PMP.

8. Substantial Issue Factors. As discussed above, there is strong factual and legal support for the Port’s determination that the proposed development is consistent with the certified PMP. The other factors that the Commission normally considers when evaluating whether a local government’s action raises a substantial issue also support a finding of no substantial issue. The objections to the project do not raise any substantial issues of regional or statewide significance.

[Click here to go to the exhibits.](#)